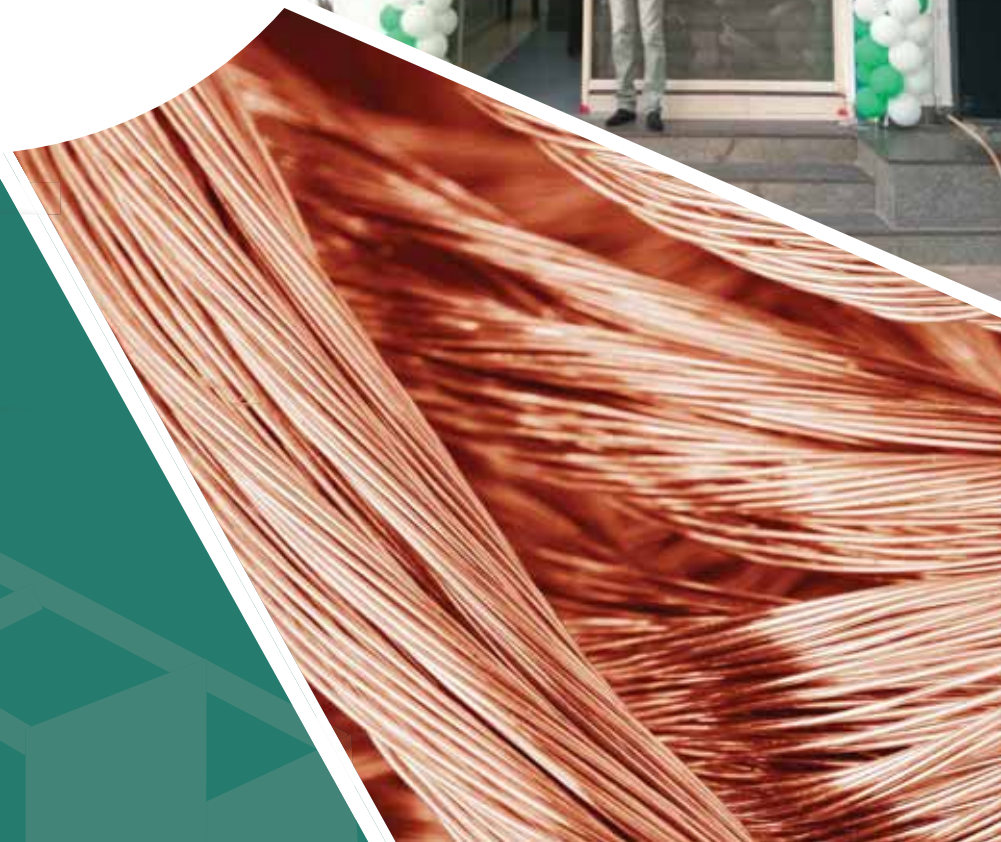
CEREBRA®
Total I.T. Solutions
An ISO 9001 : 2015 Company



CEREBRA INTEGRATED TECHNOLOGIES LIMITED

26th Annual Report
2019-20

BOARD OF DIRECTORS

Mr. V.Ranganathan	-	Managing Director
Mr. Shridhar S.Hegde	-	Whole Time Director (upto 16th August, 2020)
Mr. P. Vishwamurthy	-	Whole Time Director
Mrs. Preethi Javali	-	Non Independent Director
Mr. P. E. Krishnan	-	Independent Director
Mr. S. Gopalakrishnan	-	Independent Director
Mr. Riyaz Suterwalla	-	Non-Executive and Non Independent Director
Mrs. Bhavna Philipose	-	Independent Director (w.e.f. 12th May,2020)
Mr. Parthasarathi Naik	-	Independent Director (w.e.f. 27th July,2020)

Company Secretary and Compliance Officer
Nutan Soudagar (upto 18th August, 2020)

REGISTERED OFFICE AND FACTORY
#S-5, Off 3rd Cross, 1st Stage,
Peenya Industrial Area,
Bangalore – 560058
Tel: 91-80-22046969
Fax: 91-80-22046980
Web: www.cerebracomputers.com
Email: info@cerebracomputers.com
investors@cerebracomputers.com

E-WASTE RECYCLING UNIT
Plot Nos. 41 to 46, KIADB Industrial Area
Narasapura, Appasandra Village
NarasapuraHobli
Kolar District

SUBSIDIARY COMPANIES
Cerebra LPO India Limited
Cerebra Middle East FZCO, Dubai

STATUTORY AUDITORS
Messrs Ishwar & Gopal
Chartered Accountants
Sri Vinayaka Motor Service Building
No.21/3, T.S.P. Road, Kalasipalyam, Bangalore - 560 002

SECRETARIAL AUDITOR
Mr. Parameshwar G Bhat
Practising Company Secretary
Bangalore

INTERNAL AUDITORS
Messrs YCRJ & Associates
Chartered Accountants
Bangalore

BANKERS
Bank of India
Canara Bank (erstwhile Syndicate Bank)

ENLISTMENTS
BSE Limited
National Stock Exchange of India Limited (NSE)

REGISTRARS & SHARE TRANSFER AGENTS
KFIN Technologies Private Limited
Selenium Tower B, Plot Nos. 31 & 32,
Financial District, Nanakramguda, Serilingampally Mandal
Hyderabad – 500032, India
Phone: +91 40 67161563

DEPOSITORIES
National Securities Depository Limited
Central Depository Services India Limited

FROM THE DESK OF MANAGING DIRECTOR

Dear Stakeholder,

It is that time of the year when it will be always a pleasure meeting you all! Things are very different this year unfortunately. This year the Annual General Meeting will be through video conferencing only. I hope you and your families are safe and healthy and I pray for all your well being in these trying times. Nobody thought that a virus will cause so much havoc worldwide.

Corona had an effect on all companies world over and on a very few companies it had a positive effect. Your Company is no exception to that. For the record, we have done Rs. 18,199.91 Lakhs turnover and an EBITDA of Rs. 3565.94 Lakhs.

Your Company also went through lock down and the restart has been slow due to Government Regulations and also due to the fact that most of our customers are working from home.

The effect of corona and the subsequent lockdown had a positive response on your Company apart from many negatives. The demand for laptops and desktops both refurbished and new has really shot up due to work from home and online classes. Your Company's senior management and marketing/sales staff are working hard to book orders and also execute them. Efforts of Mr. Ravi Kumar Neeladri - CEO E-Waste Division and Mr. Hariprasad Shetty - Chief Business Officer E-Waste Division are to be lauded.

We have opened around 33 stores called Cerebra Experience centres which sell refurbished laptops and this financial year i.e. year 2020-21 we are planning to add another 35 to 40 stores inspite of the present market conditions. If the condition improves we will be adding more.

Cerebra Middle East FZCO, our Dubai Subsidiary was already going through recession due to the economic conditions in the Middle East and with Covid, it further added to our problems. We have taken steps to downsize and have also cut salaries both in the Middle East and in India. The CEO of Cerebra ME has resigned and a senior person from India will be moving to Dubai to take over and guide the Company back to its glory.

At the time of writing this, we were struck by a great tragedy. Mr. Shridhar S Hegde our Whole Time Director and CFO whom you all know so well, passed away on the 16th August, 2020. He has been there from inception and we have covered this painful topic in the report.

The management of the Company is very bullish on its prospects on the E-waste front and also on the contract manufacturing considering that the Government is pushing domestic manufacturing. We are planning to expand our contract manufacturing facility and are looking at handling large orders.

We have completed the establishment of second facility which is meant exclusively for refurbishment and we have set this up as a world class facility. This is going to be a facility which all of you will be proud of.

We have also started construction of the 3rd facility. It is now 3 years since we inaugurated our first e-waste facility. I have to say that the growth and progress have been excellent.

We wish to thank the Governments - both State and Central and the banks for supporting us in our time of need. Our accent this year is on maintaining status quo and ensure that we survive this year so that we can look at aggressive growth in the years to come.

We sincerely hope that we all meet in the next year in better circumstances with full health and vigour.

Stay Safe and Stay healthy.

With Best Wishes

Ranganathan
Managing Director
DIN: 01247305

Shridhar S. Hegde

1961 - 2020

REST IN PEACE

19th August 2020

Good Bye Mr. Hegde

He came as a youngster in his early 30s stylish with a step cut (which was the fashion those days) from a pharma background and joined us in Sales. Shridhar S Hegde started learning the computer hardware details with no technical background and very soon mastered it. He was instrumental in setting up a dealer network and building the brand Cerebra and making it known nationwide. His hardwork and dedication is remembered by all dealers till date. He became so thorough that he knew the functioning of all computer parts, their prices, what will work and what will not, customer requirements and became a specialist in filling up large tenders for the Government, banks, etc., Hegde was instrumental in Cerebra becoming an accepted brand in all major tenders.

Very soon Hegde, as he was called by everybody, was known and liked by all our customers and dealers. He was busy throughout the day and night and was almost working round the clock. He breathed Cerebra. He never lost his temper and was blessed with a smiling temperament regardless of the situation. This was going to be his hallmark throughout his life. We have never seen him lose his temper.

We started building the Company with branches, dealers and started working on large orders which were multilocational and Hegde was an integral part of the entire journey. There is no work which he has not done and was always ready whether it is cleaning, packing or in a price negotiation or in a discussion with customers gauging their requirements; Hegde always held his own.

We then started having a professional team for sales and marketing and Hegde heading that started working on targets, commissions etc., He imbibed the corporate way of working and was a very fast learner. He also handled purchase since it was an important function for a hardware company.

He then took up a new assignment of opening an office in Taiwan to help us work on our own design and also to develop vendors who can give us quality products. He spent some time in Taiwan without knowing the culture, language and was successful again because of his hardworking, fast learning attitude. Many of those vendors have written expressing their condolences.

The Company got into trouble in 2004 and went into BIFR. The entire accounts department had left and nobody was their even to declare the quarterly results. Lots of statutory work, stock exchange communication, audit etc., used to be pending and again who else but Hegde took up the challenge. For the rest of his life he learnt accounts, mastered tally, learnt all the rules of the stock exchanges, became a master wherein nobody will believe me today if I explain his background as what he has done above. In short there is no job which Hegde has not done and he has done it all with perfection. In fact, our investors, statutory auditors, internal auditors, bankers relied on him and he held that post of the CFO of Cerebra from 2004-05 till date performing to the utmost satisfaction of all concerned. He had mastered Finance and Corporate Affairs!

Dear Hegde, we will all miss you terribly and so many times in these two working days without you, I keep looking at the door hoping that it will open and you will walk in with your smile. It is something we cannot get used to ....your absence. Maybe God wanted you desperately. The world is going through Covid and Cerebra is also feeling the effect of it, but never in our dreams we thought that it will take our star.

We have never met anybody else like him. He was hardworking, honest, simple, ever smiling and very soft spoken. We will not find another Hegde for sure since he is one of a kind. He is irreplaceable.

We never thought there will come a day when we will talk about Hegde in past tense.

Good bye my dear friend ... Rest in Peace. We have disturbed you enough.

With tears streaming down
Ranganathan

CEREBRA INTEGRATED TECHNOLOGIES LIMITED

CIN: L85110KA1993PLC015091
Regd Off.: #S-5, Off 3rd Cross, I Stage, Peenya Industrial Area, Bangalore - 560 058
Telephone: 91-80-22046969 Email: info@cerebracomputers.com Web: www.cerebracomputers.com

NOTICE

NOTICE is hereby given that the 26th (Twenty Sixth) Annual General Meeting of the Company will be held on Monday, 28th day of September, 2020 at 11.30 A.M. through Video Conferencing (VC) / Other Audio-Visual Means (OAVM) to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Financial Statements of the Company including Audited Balance Sheet as at 31st March, 2020, the Statement of Profit and Loss of the Company for the year ended as on that date together with the Auditors' Report thereon and the Board's Report including Secretarial Audit Report.
2. To appoint Mrs. Preethi Javali (holding DIN: 07157145), Director who retires by rotation and being eligible, offers herself for re-appointment.
3. To appoint Statutory Auditors of the Company:

To consider and if thought fit, to pass, the following Resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") and the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, Messrs YCRJ & Associates, Chartered Accountants, Bangalore (Firm Registration No. 006927S), be and are hereby appointed as Statutory Auditors of the Company in place of the retiring Auditors Messrs Ishwar & Gopal, Chartered Accountants, Bangalore (having ICAI Firm Registration No. 001154S), to hold office for a period of 5 (five) years from the conclusion of this Annual General Meeting ("AGM") till the conclusion of the 31st (thirty first) AGM to be held in the year 2025, at such remuneration, as may be mutually agreed between the Board of Directors of the Company and the Auditors."

SPECIAL BUSINESS:

4. To appoint Mrs. Bhavna Philipose (holding DIN: 08741062) as a Director and an Independent Director of the Company:

To consider and if thought fit, to pass, the following Resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 161 of the Companies Act, 2013 and the Rules made there under and other applicable laws, if any and Articles of Association of the Company, Mrs. Bhavna Philipose (holding DIN:08741062), who was appointed as an Additional Director of the Company by the Board of Directors w.e.f. 12th May, 2020 and who holds office until the date of this Annual General Meeting, be and is hereby appointed as Director of the Company.

RESOLVED FURTHER THAT pursuant to the provisions of Sections 149, 152 and 160 of the Companies Act, 2013 read with Schedule IV and all other applicable provisions, if any, of the Act and the Companies (Appointment and Qualifications of Directors) Rules, 2014, including any statutory modification(s) or re-enactment thereof for the time being in force and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended from time to time), Mrs. Bhavna Philipose (holding DIN:08741062), be and is hereby appointed as Independent Director of the Company for a period of 5 (five) consecutive years commencing from 12th May, 2020 to 11th May, 2025 and whose office shall not be subject to retirement by rotation.

RESOLVED FURTHER THAT any of the Directors and/or Company Secretary of the Company be and are hereby severally authorised to do all such acts, deeds, things and take all such steps as may be necessary, proper and expedient to give effect to the above said Resolution also to take necessary steps to file necessary returns with the Registrar of Companies and comply with other formalities, if any as may be required pursuant to the provisions of Companies Act, 2013 or such other Regulations."

5. To appoint Mr. Parthasarathi Naik (holding DIN: 08707417) as a Director and an Independent Director of the Company:

To consider and if thought fit, to pass, the following Resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 161 of the Companies Act, 2013 and the Rules made there under and other applicable laws, if any and Articles of Association of the Company, Mr. Parthasarathi Naik (holding DIN:08707417), who was appointed as an Additional Director of the Company by the Board of Directors w.e.f. 27th July, 2020 and who holds office until the date of this Annual General Meeting, be and is hereby appointed as Director of the Company.

RESOLVED FURTHER THAT pursuant to the provisions of Sections 149, 152 and 160 of the Companies Act, 2013 read with Schedule IV and all other applicable provisions, if any, of the Act and the Companies (Appointment and Qualifications of Directors) Rules, 2014, including any statutory modification(s) or re-enactment thereof for the time being in force and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended from time to time), Mr. Parthasarathi Naik (holding DIN:08707417), be and is hereby appointed as Independent Director of the Company for a period of 3 (three) consecutive years commencing from 27th July, 2020 to 26th July, 2023 and whose office shall not be subject to retirement by rotation.

RESOLVED FURTHER THAT any of the Directors and/or Company Secretary of the Company be and are hereby severally authorised to do all such acts, deeds, things and take all such steps as may be necessary, proper and expedient to give effect to the above said Resolution also to take necessary steps to file necessary returns with the Registrar of Companies and comply with other formalities, if any as may be required pursuant to the provisions of Companies Act, 2013 or such other Regulations."

6. Re-appointment of Mr. V Ranganathan (holding DIN: 01247305) as Managing Director of the Company:

To consider and if thought fit, to pass, the following Resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 2(54), 196, 197, 198, 203 and other applicable provisions of the Companies Act, 2013 (hereinafter referred to as "the Act"), read with Schedule V of the Act and the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014, as may be applicable (including any Statutory modification or re-enactment thereof for the time being in force), approval of the Members be and is hereby accorded to re-appoint Mr. V Ranganathan (holding DIN: 01247305), as Managing Director of the Company for a period of three (3) years with effect from 1st January, 2021 to 31st December, 2023.

RESOLVED FURTHER THAT remuneration payable to Mr. V Ranganathan, Managing Director of the Company is as per the existing terms and conditions as mentioned below:

Remuneration:

I. Rs. 2,00,000/- per month

ii. Conveyance Allowance

He will be eligible for reimbursement towards fuel and car maintenance expenses at actually on production of bills. He and his family will be eligible for the health insurance. He shall not be entitled for any other allowances or benefits, other than mentioned above.

Leave Facilities:

He will be provided with 21 days of leave and 5 days of casual leave during the tenure. Unutilized shall not be eligible for carry forward or for encashment.

Other Benefits:

Apart from the aforesaid remuneration, the Managing Director shall be entitled to reimbursement of expenses incurred in connection with the business of the Company.

The Managing Director shall not be paid any sitting fees for attending meetings of the Board of Directors or Committee thereof.

Minimum Remuneration:

Notwithstanding anything to the contrary herein where in any financial year during the currency of tenure of the Managing Director, the Company has no profits or its profits are inadequate, the above remuneration payable by way of salary and perquisites shall be deemed as minimum remuneration but however subject to the limits laid down under Schedule V of the Companies Act, 2013 including any statutory modification or re-enactment thereof as may be for the time being be in force.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to vary, alter or modify the terms and conditions including remuneration as may be agreed to by the Board of Directors and Mr. V Ranganathan.

RESOLVED FURTHER THAT for the purpose of giving effect to the above Resolution, the Board of Directors be and is hereby authorized to do all such acts, deeds, matters and things as they may in their absolute discretion deem necessary, expedient, usual and proper in the best interest of the Company".

7. Re-appointment of Mr. P. Vishwamurthy (holding DIN: 01247336) as Whole Time Director of the Company:

To consider and if thought fit, to pass, the following Resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 2(94), 196, 197, 198, 203 and other applicable provisions of the Companies Act, 2013 (hereinafter referred to as "the Act"), read with Schedule V of the Act of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014, as may be applicable (including any Statutory modification or re-enactment thereof for the time being in force), approval of the members be and is hereby accorded to appoint Mr. P. Vishwamurthy (holding DIN: 01247336), as Whole Time Director of the Company for a period of three (3) years with effect from 1st January, 2021 to 31st December, 2023.

RESOLVED FURTHER THAT remuneration payable to Mr. P. Vishwamurthy, Whole Time Director of the Company is as per the existing terms and conditions as mentioned below:

Remuneration:

I. Rs. 2,00,000/- per month

ii. Conveyance Allowance

He will be eligible for reimbursement towards fuel and car maintenance expenses at actually on production of bills. He and his family will be eligible for the health insurance. He shall not be entitled for any other allowances or benefits, other than mentioned above.

Leave Facilities:

He will be provided with 21 days of leave and 5 days of casual leave during the Tenure. Unutilized shall not be eligible for carry forward or for encashment.

Other Benefits:

Apart from the aforesaid remuneration, the Whole Time Director shall be entitled to reimbursement of expenses incurred in connection with the business of the Company.

The Whole Time Director shall not be paid any sitting fees for attending meetings of the Board of Directors or Committee thereof.

Minimum Remuneration:

Notwithstanding anything to the contrary herein where in any financial year during the currency of tenure of the Whole Time Director, the Company has no profits or its profits are inadequate, the above remuneration payable by way of salary and perquisites shall be deemed as Minimum Remuneration but however subject to the limits laid down under Schedule V of the Companies Act, 2013 including any Statutory modification or re-enactment thereof as may be for the time being be in force.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to vary, alter or modify the terms and conditions including remuneration as may be agreed to by the Board of Directors and Mr. P. Vishwamurthy.

RESOLVED FURTHER THAT for the purpose of giving effect to the above Resolution, the Board of Directors be and is hereby authorized to do all such acts, deeds, matters and things as they may in their absolute discretion deem necessary, expedient, usual and proper in the best interest of the Company."

8. Approval of Cerebra Employees Stock Option Plan - 2020:

To consider and if thought fit, to pass, the following Resolution as a Special Resolution:

"RESOLVED THAT in supersession of all the earlier Resolutions passed in this regard, in pursuant to the provisions of Section 62 of the Companies Act, 2013 read with Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and all other applicable provisions, if any, of the Companies Act 2013, the Articles of the Articles of Association of the Company and subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions which may be agreed to by the Board of Directors of the Company (hereinafter referred to as "the Board"), consent of the Members be and is hereby accorded to create, offer, issue, allocate or allot at any time to or to the benefit of such person(s) who are in permanent employment of the Company including its subsidiary(ies), including any Director of the Company, whether whole time or otherwise but excluding Independent Directors, under a plan titled "Cerebra Employees Stock Option Plan - 2020" (hereinafter referred to as the "ESOP" or "Scheme" or "Plan") such number of Equity Shares and/or Equity Linked Instruments (including options), and/or any other instruments or securities (hereinafter referred to as "Stock Options") of the Company which could give rise to issue of Equity Shares not exceeding 60,59,324 (Sixty Lakhs Fifty Nine Thousand Three Hundred and Twenty Four), at such price, in one or more tranches, and on such terms and conditions as may be fixed or determined by the Compensation Committee (hereinafter referred to as "the Committee"), in accordance with the guidelines or other provisions of the law or guidelines issued by the relevant Authority or as may be prevailing at that time.

RESOLVED FURTHER THAT for the purpose of giving effect to any creation, offer, issue, allotment or listing of the stock options, the Board be and is hereby authorized on behalf of the Company to evolve, decide upon and bring in to effect the scheme and make modifications, changes, variations, alterations or revisions in the said scheme from time to time as may be specified by the Board Resolution, as the Board may in its absolute discretion deem fit or necessary or desirable for such purpose and with power on behalf of the Company to settle any questions, difficulties or doubts that may arise in this regard without requiring the Board to secure any further consent or approval of the Members of the Company.

RESOLVED FURTHER THAT the Committee be and is hereby authorized to fix the Exercise Price for this round of Options, subject to minimum Exercise Price of par value of the Shares.

RESOLVED FURTHER THAT the Board be and is hereby authorized to take necessary steps for listing of the Shares allotted under the plan on the Stock Exchanges, where the securities of the Company are listed as per the provisions of the Listing Agreement with the concerned stock exchanges and other applicable guidelines, rules and regulations.

RESOLVED FURTHER THAT the new Equity Shares to be issued shall rank *pari-passu* in all respects with the existing Equity Shares of the Company.

RESOLVED FURTHER THAT the Board, be and is hereby authorized to do all such acts, deeds, and things, as may, at its absolute discretion deems necessary including authorizing or directing to appoint Merchant Bankers, Brokers, Solicitors, Registrars, Advertisement Agency, Compliance Officer, Investors Service Centre and other Advisors, Consultants or Representatives, being incidental to the effective implementation and administration of the Plan as also to prefer applications to the appropriate Authorities, Parties and the Institutions for their requisite approvals and also to initiate all necessary actions for the preparation and issue of public announcement and filing of public announcement, if required, with the SEBI/Stock Exchange(s), and all other documents required to be filed in the above connection and to settle all such questions or difficulties whatsoever which may arise and take all such steps and decisions in this regard."

By order of the Board

For Cerebra Integrated Technologies Limited

Place: Bangalore
Date: 27th July, 2020

Ranganathan
Managing Director
DIN: 01247305
Address: Brindavan 90
3rd Cross, Sri Venkateshwara
Krupa Layout, West of Chord Road
Bangalore - 560 079 KA IN

NOTES:

1. In view of disruptions caused by COVID-19 pandemic, the Ministry of Corporate Affairs (MCA) has, vide General Circular No. 14/2020 dated 8th April, 2020, General Circular No. 17/2020 dated 13th April, 2020 and General Circular No. 20/2020 dated 5th May, 2020 (collectively "MCA Circulars"), permitted companies to conduct Annual General Meeting (AGM) through over video conferencing ("VC") / Other Audio Visual Means ("OAVM"), subject to compliance with various conditions mentioned therein. In compliance with the MCA Circulars and applicable provisions of Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the 26th AGM of the Company is being convened and conducted through VC/OAVM.

2. The Company has facilitated the Members to participate in the 26th AGM through the VC/OAVM facility provided by Central Depository Services Limited (CDSL). The instructions for participation by Members are given in the subsequent paragraphs. Participation in AGM through VC shall be allowed on a first-come-first-served basis.

3. As per MCA Circulars, Members attending the 26th AGM through VC will be reckoned for the purpose of quorum as per the provisions of Section 103 of the Companies Act, 2013.

4. For exercising the votes by the Members by electronic means, the Company has provided the facility of remote e-voting as well as e-voting during the AGM. The procedure for using the remote e-voting facility as well as e-voting during the AGM is given in the subsequent paragraphs.

5. Members joining the AGM through VC/OAVM shall be permitted to exercise their right to vote using the e-voting facility at the AGM, provided they have not cast their votes using remote e-voting facility. The Members who have cast their votes prior to AGM using the remote e-voting facility may also join the AGM though VC/OAVM; but shall not be entitled to cast their votes again.

6. As per the Companies Act, 2013, a Member entitled to attend and vote at the AGM is entitled to appoint a Proxy to attend and vote on his/her behalf and such Proxy need not be a Member of the Company. Since 26th AGM is being held through VC/OAVM as per MCA Circulars, physical attendance of the Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the 26th AGM and hence the Proxy Form and Attendance Slip are not annexed to this notice. Similarly, as this AGM is being held through VC/OAVM, the route map is not annexed to this notice.

7. Corporate Members may authorize their representatives for casting the votes using remote e-voting facility or for participation and voting in the AGM using VC/OAVM. Institutional Investors are encouraged to attend and vote at the AGM through VC/OAVM.

8. In line with MCA Circulars, the Annual Report for the financial year 2019-20 along with Notice of 26th AGM of the Company *inter-alia* indicating the process and manner of e-Voting are being sent only by electronic mode to those Members whose email IDs are registered with the Company/Depository Participant(s) for communication.

   In line with MCA Circulars, the Company has enabled a process for the limited purpose of receiving the AGM Notice and Annual Report (including remote e-voting instructions) electronically.

   Members may note that the aforesaid documents may also be downloaded from the Company's website under the Investor Relations Section at http://cerebracomputers.com/reports-and-filings/

9. The Register of Directors and Key Managerial Personnel and their shareholding, and the Register of Contracts or Arrangements in which the Directors are interested, maintained as per the provisions of the Companies Act, 2013 will be available for electronic inspection by the Members during the AGM. All the documents referred to in the Notice will also be available for electronic inspection by the Members without any fee from the date of circulation of this notice up to the date of AGM i.e., 28th September, 2020. Members seeking to inspect such documents may send an email to investors@cerebracomputers.com.

10. Members seeking clarifications on the Annual Report are requested to send an email to investors@cerebracomputers.com on or before 21st September, 2020. This would enable the Company to compile the information and provide replies at the Meeting.

11. The Register of Members and the Share Transfer books of the Company will remain closed on 28th September, 2020.

12. The Shares of the Company are traded compulsorily in dematerialized form as per the directions of the Stock Exchanges. Accordingly, Members who have not opted for dematerialization of Shares are once again reminded to take steps to dematerialize their holdings. Further, the Members may note that as per SEBI(LODR) (Fourth Amendment) Regulations, 2018, with effect from 1st April, 2019, except in case of transmission or transposition of securities, no transfer of securities shall be processed unless the securities are held in the dematerialized form. Accordingly, Shareholders holding Equity Shares in physical form are urged to have their shares dematerialized so that they will be able to transfer them freely and participate in corporate actions.

13. Members holding the Shares in physical form are requested to communicate the changes, if any, in their addresses, Bank Account details and other necessary details to the Company's Registrar and Share Transfer Agent (RTA), KFIN Technologies Private Limited, Selenium Tower B, Plot number 31 and 32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad-500 032, India. Members holding the Shares in dematerialized form are requested to communicate such changes to the concerned Depository Participant.

14. Members who are yet to register their e-mail address are requested to register the same with the Depository through their Depository Participants in respect of shares held in dematerialized form. Members holding the Shares in physical form may register their e-mail address by writing to the Company's Registrar and Share Transfer Agent.

15. Non-resident Indian Shareholders are requested to immediately inform the Company or its Registrar and Share Transfer Agent or the concerned Depository Participant, as the case may be, about the following matters:

    (a) the change in residential status on return to India for permanent settlement, and

    (b) the particulars of the NRE account with a bank in India, if not furnished earlier.

16. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding Shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding Shares in physical form may submit their PAN details to the Company's Registrar and Share Transfer Agents or the Company.

17. Members holding Shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company. The Nomination Form SH-13, as prescribed by the Government may be obtained from the Registrar and Share Transfer Agent or the Secretarial Department of the Company at its Registered Office.

18. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business at the Meeting, is annexed hereto.

19. Voting Through Electronic Means:

    In compliance with the provisions of Section 108 and other applicable provisions, if any, of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of SEBI (LODR) Regulations, 2015, the Company is providing the facility of remote e-voting to its Members in respect of the business to be transacted at the 26th Annual General Meeting (AGM).For this purpose, the Company has entered into an Agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means. The facility to cast the votes by the Members using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.

    The Members can join the AGM through VC/OAVM mode, 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in this Notice. The facility of participation at the AGM through VC/OAVM will be made available to atleast 1000 Members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders' Relationship Committee, Auditors etc. who are allowed to attend the AGM without restrictions.

The instructions for Members for remote e-voting are as under:

(I) The voting period begins on Thursday, 24th September, 2020 (9.00 AM IST) and ends on Sunday, 27th September, 2020 (5.00 PM IST). During this period, Members of the Company, holding Shares either in physical form or in dematerialized form, as on the cut-off date (Record date) of Monday, 21st September, 2020 may cast their votes electronically. The e-Voting module shall be disabled by CDSL for voting thereafter.

(ii) The Members should log on to the e-Voting website www.evotingindia.com.

(iii) Click on “Shareholders” module.

(iv) Now Enter your User ID

    a. For CDSL: 16 digits beneficiary ID,

    b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

    c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

(v) Next enter the Image Verification as displayed and Click on Login.

(vi) If you are holding Shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

(vii) If you are a first-time user, follow the steps given below:

	For Shareholders holding shares in Demat Form and Physical Form
PAN	Enter your 10-digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders).
	Members who have not updated their PAN with the Company/Depository Participant are requested to use sequence number sent by the Company / RTA or contact Company / RTA
Dividend Bank Details or Date of Birth (DOB)	• Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. • If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

(viii) After entering these details appropriately, click on "SUBMIT" tab.

(ix) Members holding Shares in physical form will then directly reach the Company selection screen. However, Members holding Shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat account holders for voting for Resolutions of any other company on which they are eligible to vote, provided that Company opts for e-Voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(x) For Members holding Shares in physical form, the details can be used only for e-voting on the Resolutions contained in this Notice.

(xi) Click on the EVSN relevant to 'CEREBRA INTEGRATED TECHNOLOGIES LIMITED' on which you choose to vote.

(xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same, the option "YES/NO" is available for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xiv) After selecting the Resolution, if you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xvi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

(xvii) If a demat account holder has forgotten the login password, then enter the User ID and the image verification code and click on 'Forgot Password' and enter the details as prompted by the system.

(xviii) Members can also cast their vote using CDSL's mobile app "m-Voting". The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.

Instructions for Members attending the AGM through VC are as under:

1. Members will be provided with a facility to attend the AGM through VC through the CDSL e-Voting system. Members may access the same at https://www.evotingindia.com under Shareholders/Members login by using the remote e-voting credentials. The link for VC will be available in shareholder/members login where the EVSN of Company will be displayed.

2. System requirements for best VC/OAVM experience:

   Though any internet enabled device i.e., Laptop, Desktop, Smart phone or a Tablet may be used to join the Meeting, Members are encouraged to join the AGM through Laptop/Tablet for better experience. Laptop with at least Core2duo processor, 1GB RAM, good quality multimedia kit and latest version of Internet Browser are preferred. Members are requested to download the Cisco WebEx meeting tool in advance and enable the camera during the AGM.

   Members connecting from Mobile Devices, Tablets or Laptop connected via Mobile Hotspot might experience Audio/Video loss due to fluctuations in their respective networks. To mitigate any such glitches, it is recommended to use stable Wi-Fi or LAN connection (without proxy & firewall) with a speed of 2 Mbps or more.

3. Members who would like to ask questions or express their views at the AGM may register themselves as a speaker by sending a mail with their name, demat account number/folio number, email id, mobile number to investors@cerebracomputers.com on or before Monday, 21st September, 2020. The Company reserves the right to limit the number of Members asking the questions depending on the time availability at the AGM.

4. Only those Shareholders who have registered themselves as a speaker will be allowed to express their views/ask questions during the Meeting.

Instructions for Members for e-voting during the AGM are as under:

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those members, who are present in the AGM through VC/OAVM facility and have not cast their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
3. If any votes are cast by the Members through the e-voting available during the AGM and if those Shareholders have not participated in the Meeting through VC/OAVM facility, then the votes cast by such Shareholders shall be considered invalid as the facility of e-voting during the Meeting is available only to the Shareholders attending the Meeting.
4. Members who have voted through remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

(xix) Note for Non – Individual Shareholders and Custodians

- Non-Individual Shareholders (i.e., other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cost their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual Shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; investors@cerebracomputers.com, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

(xx) Any person, who acquires Shares of the Company and becomes Member of the Company after dispatch of the AGM Notice and holding Shares as of the cut-off date i.e., Monday, 21st September, 2020 may obtain the login ID and password by sending a request to helpdesk.evoting@cdslindia.com or by contacting our Registrar and Share Transfer Agent, KFIN Technologies Private Limited, Selenium Tower B, Plot No. 31 and 32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad-500 032, India. Phone: +91-40-67161564 Fax: +91-40-23420814 and Email: shobha.anand@kfintech.com.

(xxi) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com or call 1800225533 or contact Mr. Nitin Kunder (022-23058738) or Mr. Mehboob Lakhani (022-23058543) or Mr. Rakesh Dalvi (022-3058542).

(xxii) All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai – 400 013 or send an email to helpdesk.evoting@cdslindia.com or call 1800225533 or call 022-23058542 / 43.

Other instructions:

(I) The voting rights of Shareholders shall be in proportion to their Shares of the Paid-up Equity Share Capital of the Company as on the cut-off date of 21st September, 2020.

(ii) The Board of Directors has appointed Mr. Parameshwar G. Bhat, Practising Company Secretary, Bangalore, (Membership No. FCS;8860) as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner. Mr. Parameshwar G. Bhat has conveyed to the Company his willingness to act as such.

(iii) The Scrutinizer will submit his report to the Chairman of the Company or Managing Director or Company Secretary or to any other person authorized by the Chairman after the completion of the scrutiny of the e-voting (votes casted during the AGM and votes casted through remote e-voting), not later than 48 hours from the conclusion of the AGM. The result declared along with the Scrutinizer's Report shall be communicated to the Stock Exchanges, CDSL and RTA and will also be displayed on the website of the Company at www.cerebracomputers.com.

20. DETAILS PURSUANT TO REGULATION 36(3) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 OF THE DIRECTORS PROPOSED TO BE APPOINTED/RE-APPOINTED:

Name	Mrs. Preethi Javali	Mrs. Bhavna Philipose	Mr. Parthasarathi Naik	Mr. V Ranganathan	Mr. P Vishwamurthy
DIN	07157145	08741062	08707417	01247305	01247336
Desig-nations	Non-Executive-Non-Independent Director	Non-Executive-Independent Director	Non-Executive-Independent Director	Managing Director	Whole Time Director
Date of birth	27th November, 1973	17th May, 1976	10th June, 1953	12th November, 1963	3rd May, 1967
Date of Appointment	31st March, 2015	12th May, 2020	27th July, 2020	12th December, 1993	18th July, 1996
Qualifi cations	Master of Arts	Bachelor of Science in Chemistry	Bachelor of Science in Chemistry	Bachelor of Engineering	Bachelor of Engineering
Expertise in specific functional area	Literature & Kannada Cultural Activities	Specialist in Microsoft Technology in Data Analytics an Project Consultancy	Income Tax and Audit related issues	Electrical and Electronics	Software and ITes
Relationship between Directors *inter-se*	Nil	Nil	Nil	Nil	Nil
Names of listed entities in which the person holds the directorship	Nil	Nil	Nil	Nil	Nil
Membership of Committees of the Board of other listed entity	Nil	Nil	Nil	Nil	Nil
No. of Shares held in the Company	10,000	Nil	32,000	38,96,080	9,98,130

By order of the Board

For Cerebra Integrated Technologies Limited

Place: Bangalore
Date: 27th July, 2020

Ranganathan
Managing Director
DIN: 01247305
Address: Brindavan 90
3rd Cross, Sri Venkateshwara
Krupa Layout, West of Chord Road
Bangalore - 560 079 KA IN

EXPLANATORY STATEMENT PURSUANT TO THE PROVISIONS OF SECTION 102 OF THE COMPANIES ACT, 2013:

Item no. 3: To appoint Statutory Auditors of the Company:

This explanatory statement is provided though strictly not required pursuant to the provisions of Section 102 of the Companies Act.

Messrs Ishwar & Gopal, Chartered Accountants (Firm No. 001154S) Bangalore, were appointed as the Statutory Auditors of the Company at the 21st Annual General Meeting (AGM) of the Company held on 29th September, 2015 for a second term of 5 (five) years to hold office till the conclusion of this AGM.

As per the provisions of Section 139 of the Act, no listed Company can appoint or re-appoint an audit firm as Auditors for more than two terms of five consecutive years. In view of the above, the Board of Directors has, based on the recommendation of the Audit Committee, at its Meeting held on 27th July, 2020, proposed the appointment of Messrs YCRJ & Associates, Chartered Accountants (Firm Registration No. 006927S) as the Statutory Auditors of the Company for a period of 5 (five) years, to hold office from the conclusion of this AGM till the conclusion of the 31st (thirty first) AGM to be held in the year 2025 at a proposed remuneration of Rs. 8,00,000/- for the FY 2020-21 in addition to out of pocket expenses as may be incurred by them during the course of the audit.

Messrs YCRJ & Associates, Chartered Accountants (Firm Registration No. 006927S), have consented to their appointment as Statutory Auditors and have confirmed that if appointed, their appointment will be in accordance with the provisions of Section 139 read with Section 141 of the Act.

The Board recommends the Ordinary Resolution set out at item no. 3 of the Notice for approval by the Members.

None of the Directors or Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested, financially or otherwise, in the said Resolution.

Item no. 4 - To appoint Mrs. Bhavna Philipose (holding DIN: 08741062) as a Director and an Independent Director of the Company:

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company at its Meeting held on 12th May, 2020 have appointed Mrs. Bhavna Philipose (holding DIN: 08741062) as an Additional Director (Independent Director) of the Company with effect from 12th May, 2020.

Pursuant to the provisions of Section 161 of the Companies Act, 2013, Additional Director appointed by the Board will hold office up to the date of the ensuing Annual General Meeting. Hence, the approval of the Members of the Company is required to appoint Mrs. Bhavna Philipose as Independent Director of the Company. Brief profile and other details have been provided in the notes. In the opinion of the Board, she fulfills the conditions specified in the Act and the Rules framed thereunder for appointment as Independent Director and is independent of the Management.

In this connection, the Board recommends the Ordinary Resolution as set out in item no. 4 for the approval of the Members of the Company.

Except Mrs. Bhavna Philipose, none of the Directors, Key Managerial Personnel or their relatives is concerned or interested, financially or otherwise, in the said Resolution.

Item no. 5: To appoint Mr. Parthasarathi Naik (holding DIN: 08707417) as a Director and an Independent Director of the Company:

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company at its Meeting held on 27th July, 2020 have appointed Mr. Parthasarathi Naik (holding DIN: 08707417) as an Additional Director (Independent Director) of the Company with effect from 27th July, 2020.

Pursuant to the provisions of Section 161 of the Companies Act, 2013, Additional Director appointed by the Board will hold office up to the date of the ensuing Annual General Meeting. Hence, the approval of the Members of the Company is required to appoint Mr. Parthasarathi Naik as Independent Director of the Company. Brief profile and other details have been provided in the notes. In the opinion of the Board, he fulfills the conditions specified in the Act and the Rules framed thereunder for appointment as Independent Director and is independent of the Management.

In this connection, the Board recommends the Ordinary Resolution as set out in item no. 5 for the approval of the Members of the Company.

Except Mr. Parthasarathi Naik, none of the Directors, Key Managerial Personnel or their relatives is concerned or interested, financially or otherwise, in the said Resolution.

Item no. 6 - Re-appointment of Mr. V Ranganathan as Managing Director of the Company:

Mr. V Ranganathan holds an Engineering degree from Bangalore University and has 34 years of experience in the Electronics and IT Industry and as Managing Director in the Company for 26 years. Mr. V Ranganathan is associated with the Company as a Promoter since inception and has been responsible for bringing the Company to this level.

In terms of the approval already accorded by the Shareholders, his office comes to an end on 31st December, 2020. Therefore, it is proposed to re-appoint Mr. V Ranganathan as Managing Director of the Company on such terms and conditions as mentioned in the aforesaid Resolution. Brief profile and other details have been provided in the notes.

Based on the recommendation of the Nomination and Remuneration Committee and the justifications, the Board recommends the Special Resolution as set out in item no. 6 for the approval of the Members of the Company.

Except Mr. V Ranganathan, none of the other Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the said Resolution.

Item no. 7 - Re-appointment of Mr. P. Vishwamurthy as Whole Time Director of the Company:

Mr. P. Vishwamurthy holds Engineering degree from Mysore University and has 23 years of experience in IT Industry. Mr. P. Vishwamurthy has been responsible for ITES Business of the Company.

In terms of the approval already accorded by the Shareholders, his office comes to an end on 31st December, 2020. Therefore, it is proposed to re-appoint Mr. P. Vishwamurthy as Whole Time Director of the Company on such terms and conditions as mentioned in the aforesaid Resolution. Brief profile and other details have been provided in the notes.

Based on the recommendation of the Nomination and Remuneration Committee and the justifications, the Board recommends the Special Resolution as set out in item no. 7 for the approval of the Members of the Company.

Except Mr. P. Vishwamurthy, none of the other Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the said Resolution.

Item no.8 - Approval of Cerebra Employees Stock Option Plan - 2020:

The Company is planning to implement an ESOP plan for the employees and intends to reserve up-to 60,59,324 (Sixty Lakhs Fifty Nine Thousand Three Hundred and Twenty Four) Equity Shares for this purpose. An ESOP plan has been drawn giving salient features of the ESOP to be provided to the employees.

The Company needs to take the approval of Members to implement this plan.

Disclosure as per Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 is as follows:

Sl. no.	Particulars	Disclosures
1	Total no. of Stock Options to be granted	60,59,324 (Sixty Lakhs Fifty Nine Thousand Three Hundred and Twenty Four) options (subject to adjustment for any bonus, stock splits, or consolidations or other re-organisation of the capital structure of the Company as may be applicable from time to time).
2	Identification of classes of employees entitled to participate in the ESOP	A permanent employee of the Company as well as the employees of all the Subsidiaries of the Company and Directors (whole time or not) but excluding an Independent Director of the Company or its Subsidiaries, who qualify for issue of Options under this Plan and who fulfill the minimum conditions as decided by the Committee. Provided that any Director holding either by himself/herself or through his/her relative or through any, body corporate, directly or indirectly 10% or more of the outstanding Equity Share Capital of the Company at any time from the commencement of this Plan and any person who is a Promoter or a person belonging to Promoter group shall not be eligible under this Plan.
3	Appraisal process for deter-mining the eligibility of the employees for ESOP	As may be decided by the Committee at its sole discretion.
4	Requirements of vesting and maximum period of vesting	The vesting period shall commence on the expiry of one year from the date of grant of securities and may extend upto 4 (four) years from the date of grant or such further or other period as the Committee may determine, from time to time. The Securities would vest subject to continued employment with the Company. In addition to this, the Committee may specify performance criteria / conditions to be met subject to which securities would vest in the employee. The Securities may vest in tranches subject to the terms and conditions stipulated by the Committee.
5	Exercise price	As may be decided by the Committee at its sole discretion. However, the "Exercise Price" cannot be lower than the par value of the Shares.
6	Exercise period and process of exercise	The exercise period will be decided by the Compensation Committee at its sole discretion.
7	Lock-in period	30 days or such other period as may be decided by the Committee from time to time.
8	Maximum number of options to be granted per employee and in aggregate	The maximum number of options to be granted per employee shall not exceed one per cent of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant of option.
9	Method which the company shall use to value its options	As may be decided by the Committee at its sole discretion.
10	Conditions under which option vested in employees may lapse	As may be decided by the Committee.
11	Specified time period within which the employee shall exercise the vested options in the event of a proposed termination of emplo yment or resignation of employee	In the event of a proposed termination of employment or resignation of employee the employee shall have to compulsorily exercise all the vested Options to the extent exercisable within 90 days from the cessation of his employment with the Company. In the event that the Options are not exercised within this period, the Options would lapse.

The Company will comply with the applicable Accounting Standards.

The Board recommends the Special Resolution set out at item no. 8 of the Notice for approval by the Members.

None of the Directors or Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested, financially or otherwise, in the said Resolution.

By order of the Board
For Cerebra Integrated Technologies Limited

Place: Bangalore
Date: 27th July, 2020

Ranganathan
Managing Director
DIN: 01247305
Address: Brindavan 90
3rd Cross, Sri Venkateshwara
Krupa Layout, West of Chord Road
Bangalore - 560 079 KA IN

BOARD'S REPORT

To the Members

The Directors have pleasure in presenting before you the Annual Report of the Company together with the Audited Financial Statements for the 26th financial year ended 31st March, 2020.

CONSOLIDATED FINANCIAL SUMMARY/HIGHLIGHTS, OPERATIONS AND STATE OF AFFAIRS:

(Rs. in Lakhs)

Particulars	2019-20	2018-19
Gross Income	18467.70	39105.62
Profit Before Interest and Depreciation	3565.94	4778.45
Finance Charges	309.03	375.82
Gross Profit	3256.91	4405.63
Provision for Depreciation	33.97	37.66
Profit before exceptional and extraordinary items and tax	3222.94	4364.97
Exceptional Items	1785.07	2384.69
Provision for Tax	217.94	1399.58
Net Profit After Tax	1219.94	580.70
Other Comprehensive Income	-1.06	2.00
Total Comprehensive Income	1218.88	582.70
Total Comprehensive Income Attributable to		
a) Owners	1144.24	440.09
b) Non-Controlling Interest	75.70	140.60
Earnings per Equity Share of Rs. 10/- each		
Basic	0.94	0.32
Diluted	0.94	0.32
Proposed Dividend on Equity Shares	0	0
Tax on proposed Dividend	0	0

1. PERFORMANCE OF THE COMPANY:

E-Waste Recycling Business:

This division is the mainstay amongst the Company's Lines of Business and has truly evolved as the most important business line. Cerebra continues to add on clients for PRO (Producer Responsibility Organisation) business. The capacity which was increased to 20,000 MT earlier in the year was utilised to the full capacity by continuing to retain two of the world's largest consumer electronics manufacturers, Samsung India (SIEL) as its first EPR (Extended Producer Responsibility) client and the second one being LG Electronics. For both of these clients, Cerebra has been collecting TVs, Refrigerators, Air Conditioners and Washing Machines and recycling them at its plant in KIADB Narasapura Industrial Area, Kolar District, near Bengaluru.

The plant is fully functional and is recycling E-Waste and also producing refurbished products such as Desktops, Laptops and Servers including its peripherals/accessories such as Mouse, Printers etc. Cerebra has collected WEEE (Waste Electrical & Electronic Equipment's) under ITEW category through its Corporate collection channel.

Cerebra has increased its CEC's (Cerebra Experience Centre's) to 33 during the financial year wherein a customer can walk-in and pickup refurbished products such as Desktops, Laptops, Network Accessories, Peripherals and Printers at competitive prices even in remote places of India.

Cerebra has completed its unique software S.P.O.C.K. (System Protocol of Cerebra Knowledge) to track its collections, sales and channel management wherein all Waste Electrical and Electronic Equipment's (WEEE) collected from either Individual, Retailers or Corporate will be tracked until it reaches the Recycling Facility located at KIADB Narasapura Industrial Area, Kolar District.

Cerebra has successfully completed its EPR commitment of 19,500,000 KGs by collection of Waste Electrical and Electronic Equipment's (WEEE) i.e., TVs, Refrigerators, Washing Machines and Air Conditioners for its EPR clients Samsung India Electronics Limited (SIEL) and LG Electronics through its own network of employees, channel partners and aggregators.

Enterprise Solutions Division

Cerebra ESD division continues to implement various IT projects for Government agencies, departments and institutions and established companies. The Company has performed well, however, there were few opportunities lost due to the lockdown, which otherwise would have done better.

Cerebra worked closely with leading technology vendors such as Dell EMC, HPI, HPE, Intel, Hitachi, Lenovo, Acer, TVSE, Brother, Samsung, Xerox, Microsoft etc to name a few.

Cerebra ESD's continued focus on defence, PSUs, PSBs, etc has been fruitful and lead the Company successfully executing orders from DRDO, ISRO, defence labs, various departments under Government of Karnataka, Police, Judiciary, NIMHANS, private education institutions to name a few.

CEREBRA MIDDLE EAST FZCO:

The Middle East region has been on an Economic downturn amidst a global slowdown since 2017. “Growth prospects for the Middle East and North Africa are still deteriorating on the back of elevated geopolitical risks, weak global demand and severe oil production cuts”.

CME is currently hit by the pandemic since January 2020 and is currently focussing only on services and not on products and has since stopped Value Added Distribution (VAD) business.

2. MATERIAL CHANGES AND COMMITMENTS:

There were no material changes and commitments which occurred, affecting the financial position of the Company between 31st March, 2020 and the date on which this report has been signed.

3. CHANGE IN THE NATURE OF BUSINESS:

The Company continues to focus on the strength of ESD, EMS and E-Waste and in addition, the Company will be focusing on the High-End Servers, Large Data Storage etc.

LOCKDOWN - COVID 19:

It is quite unfortunate and sad that Corona Virus has caused significant health concerns across the Globe and resulted in multiple deaths. Social distancing being the only and the first compulsory remedy, entire World was forced to observe Lockdown. Your Company complied with the directions of the Government of India, the Government of Karnataka and the relevant authorities and strictly adhered to the Lockdown in its facilities and at all Offices. The employees, vendors, customers, outsourcing agencies, Consultants and other acquaintances had to suspend their operations almost fully. Considering the nature of operations of your Company, "Work From Home" concept could not be made applicable at the operating facilities.

The business losses, economic ramifications which arose due to Lockdown are being estimated.

4. DIVIDEND:

Whilst your Directors understand the sentiments of the Investors, the financials in the year that has passed, do not enable the Board to recommend any dividend. The Board regrets its inability to recommend any Dividend.

However, the Directors will strive hard to bring the Company back to dividend track before long and the improving performance of the Company is hoped to continue to facilitate consideration of dividend in the days to come.

5. AMOUNTS TRANSFERRED TO RESERVES:

The Board of the Company has proposed not to transfer any funds to its reserves.

6. CHANGES IN SHARE CAPITAL:

Authorized Share Capital

During the financial year 2019-20, the Authorised Share Capital of the Company was increased from Rs. 1,26,00,00,000 (Rupees One Hundred and Twenty Six Crores only) divided into 12,60,00,000 (Twelve Crores Sixty Lakhs) Equity Shares of Rs. 10/- (Rupees Ten only) each to Rs. 1,28,00,00,000 (Rupees One Hundred and Twenty Eight Crores only) divided into 12,80,00,000 (Twelve Crores Eighty Lakhs) Equity Shares of Rs. 10/- (Rupee Ten only) each by additionally creating 20,00,000 (Twenty Lakhs) Equity Shares of Rs. 10/- (Rupees Ten only) each by passing of a Special Resolution by the Members of the Company through Postal Ballot on 20th March, 2020.

Paid up Share Capital

There are no changes in the Paid-up Share Capital of the Company during the financial year 2019-20.

The Paid-up Share Capital of the Company is Rs. 1,21,19,66,320/- (Rupees One Hundred and Twenty One Crores Nineteen Lakhs Sixty Six Thousand Three Hundred and Twenty only) divided into 12,11,86,482 (Twelve Crores Eleven Lakhs Eighty Six Thousand Four Hundred and Eighty Two) Equity Shares of Rs. 10/- (Rupees Ten only).

Allotment of Warrants:

The Company has passed a Special Resolution though Postal Ballot on 20th March, 2020 for issue of 55,00,000 (Fifty five Lakhs) Warrants convertible into Equity Shares on a preferential basis to certain Promoters with each Warrant convertible into one Equity Share of the Company of nominal value of Rs. 10/- (Rupees Ten only) each fully paid-up for cash by way of preferential allotment at a price not less than the price determined in accordance with Chapter V of SEBI (ICDR) Regulations.

The Company is in the process of obtaining the required approvals from SEBI/Stock Exchanges/Statutory Authorities for the allotments of the said Warrants.

Reduction of Share Capital:

Based on the Award passed by the Hon'ble Arbitral Tribunal in the matter of Arbitration Dispute under the Arbitration and Conciliation Act, 1996 on 22nd March, 2019, the Company has passed a Special Resolution for the Reduction of Share Capital of the Company by 92 Lakhs Equity Shares allotted to Singapore Companies pursuant to the provisions of Section 66 of the Companies Act, 2013 read with the National Company Law Tribunal (Procedure for Reduction of Share Capital) Rules, 2016.

Further, the said reduction of Share Capital of the Company is subject to the approvals of the Stock Exchanges/any other Statutory Authorities and confirmation by the Hon'ble National Company Law Tribunal, Bengaluru Bench. The Company has obtained No Objection Letters from both NSE and BSE.

However, the Company is in the process of obtaining the required approvals from SEBI/Statutory Authorities for the reduction of Share Capital of the Company.

Disclosure regarding Issue of Equity Shares with Differential Voting Rights:

During the financial year under review, the Company has not issued any Shares with Differential Voting Rights.

Disclosure regarding issue of Employee Stock Options:

During the financial year under review, the Company has not issued any Employee Stock Options. However, the Company has passed a Special Resolution at the previous Annual General Meeting of the Company and has approved the "Cerebra Integrated Technologies Limited Employee Stock Option Scheme, 2019".

Few details were not included in the explanatory Statement in the previous year's AGM Notice and hence it is included in the AGM Notice as Cerebra Employees Stock Option Plan - 2020 and proposed for approval of the Members.

Disclosure regarding issue of Sweat Equity Shares:

During the financial year under review, the Company has not issued Sweat Equity Shares.

7. CAPITAL INVESTMENTS

Capital Investments during the financial year 2019-20 was at Rs. 84.06 Lakhs (Net of capital work-in-progress and capital advances) (2018-19) is Rs. 29.06 (Lakhs).

8. BOARD MEETINGS:

The Meetings of the Board are held at regular intervals with a time gap of not more than 120 days between two consecutive Meetings. During the financial year under review, Five (5) Meetings were held on 30th May 2019, 12th August 2019,12th November 2019, 7th February, 2020 and 12th February 2020.

The Agenda of the Meeting is circulated to the Directors in advance. Minutes of the Meetings of the Board of Directors are circulated amongst the Members of the Board for their perusal.

The details of other Committee Meetings held during the financial year 2019-20 are exhibited in the Corporate Governance Report.

Committees of the Board:

Currently, the Board has four (4) Committees viz. the Audit Committee, the Nomination and Remuneration Committee, the Stakeholders' Relationship Committee and the Corporate Social Responsibility Committee. A detailed note on the composition of the Board and its Committees and other related particulars are provided in the Report on Corporate Governance forming part of this Annual Report.

9. DIRECTORS AND KEY MANANGERIAL PERSONNEL:

In terms of the provisions of the Companies Act, 2013 and Articles of Association of the Company, Mrs. Preethi Javali (holding DIN: 07157145), Non-Executive Director retires by rotation at the forthcoming Annual General Meeting and is eligible for re-appointment.

Mr. T S Sureshkumar (holding DIN:00674759) resigned from the office of Independent Director due to personal reasons i.e., disqualified Director by the Registrar of Companies under the provisions of Section 164(2) of the Companies Act, 2013, due to technical reasons with effect from the closing of business hours of 27th May, 2019. The Board places on record its appreciation of the invaluable contribution and guidance provided by the outgoing Director.

Mr. MVS Vasan (holding DIN: 01088868) was appointed as an Additional Director (Non-Executive and Independent) of the Company with effect from 12th August, 2019 and his appointment was approved by the Shareholders at the previous Annual General Meeting held by the Company.

Based on the recommendations of the Nomination and Remuneration Committee, re-appointments of Mr. V Ranganathan (holding DIN:01247305) as Managing Director and Mr. P Vishwamurthy (holding DIN: 01247336) as Whole Time Director of the Company whose offices come to end on 31st December, 2020 may be considered by the Shareholders at the Annual General Meeting.

Post completion of the financial year, the Board at its Meeting held on 12th May, 2020, appointed Mrs. Bhavna Philipose (holding DIN: 08741062) as an Additional Director of the Company who is categorized as Non-Executive and Independent Director of the Company w.e.f. 12th May, 2020 for the period of 5 (five) years.

Further, the Board also at its Meeting held on 27th July, 2020 appointed Mr. Parthasarathi Naik (holding DIN:08707417) as an Additional Director of the Company who is categorized as Non-Executive and Independent Director of the Company w.e.f. 27th July, 2020 for a period of 3 (three) years.

The details of Mrs. Bhavna Philipose and Mr. Parthasarathi Naik are furnished in the Explanatory Statement to the Notice of the Annual General Meeting pursuant to the provisions of Section 102 of the Companies Act, 2013. The Board recommends their appointment at the ensuing Annual General Meeting of the Company.

10. DECLARATION FROM INDEPENDENT DIRECTORS ON ANNUAL BASIS:

The Company has received necessary declaration from each Independent Director of the Company under the provisions of Section 149(7) of the Companies Act, 2013 that the Independent Directors of the Company meet with the criteria of their Independence laid down in the provisions of Section 149(6).

11. COMPOSITION OF AUDIT COMMITTEE:

As on 31st March, 2020, the Audit Committee of the Company consisted of three (3) Non-Executive Independent Directors and all of them have financial and accounting knowledge.

The Board has accepted the recommendations of the Audit Committee during the financial year under review.

The Audit Committee comprised of the following Members:

a. Mr. S. Gopalakrishnan - Chairman
b. Mr. T.S. Suresh Kumar* - Member
c. Mr. P.E. Krishnan - Member

*Mr. T.S. Sureshkumar resigned from the office of Independent Director of the Company w.e.f. 27th May, 2019.

The Audit Committee was re-constituted w.e.f. 30th May, 2019:

a. Mr. S Gopalakrishnan - Chairman
b. Mr. P.E. Krishnan - Member
c. Mrs. Preethi Javali - Member

Further, on 12th August 2019, Mr. MVS Vasan was appointed as Non-Executive Independent Director of the Company and upon his appointment and in the Board Meeting of the Company held on 12th November, 2019, the Company reconstituted the Audit Committee with immediate effect and as on 31st March, 2020, the Audit Committee consists of the following Members:

a. Mr. S. Gopalakrishnan - Chairman
b. Mr. P. E. Krishnan - Member
c. Mrs. MVS Vasan - Member

12. NOMINATION AND REMUNERATION COMMITTEE POLICY:

The Board has, on the recommendation of the Nomination and Remuneration Committee framed a Policy for selection and appointment of Directors, Senior Management and for other employees and their remuneration. The same has been disclosed on the website of the Company at http://cerebracomputers.com/reports-and-filings/#1507712636471-31397811-0284be2a-7469. The Composition, criteria for selection of Directors and the terms of reference of the Nomination and Remuneration Committee is stated in the Corporate Governance Report.

The Nomination and Remuneration Committee comprised of the following Members:

a. Mr. S. Gopalakrishnan - Chairman
b. Mr. T.S. Suresh Kumar - Member
c. Mr. P.E. Krishnan - Member

The Nomination and Remuneration Committee was re-constituted w.e.f. 30th May, 2019 comprised of the following Members:

a. Mr. S Gopalakrishnan - Chairman
b. Mr. P.E. Krishnan - Member
c. Mrs. Preethi Javali - Member

Further, on 12th August 2019, Mr. MVS Vasan was appointed as Non-Executive Independent Director of the Company and upon his appointment and in the Board Meeting of the Company held on 12th November, 2019, the Company reconstituted the Nomination and Remuneration Committee with immediate effect and as on 31st March, 2020, the Nomination and Remuneration Committee consists of the following:

a. Mr. S. Gopalakrishnan - Chairman
b. Mr. P. E. Krishnan -Member
c. Mrs. MVS Vasan -Member

13. VIGIL MECHANISM/WHISTLE BLOWER POLICY:

The Company has established an effective Vigil Mechanism pursuant to the provisions of Sections 177(9) and (10) of the Companies Act, 2013 and as per Regulation 4(2)(d)(iv) of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 which is available on website of the Company at http://cerebracomputers.com/reports-and-filings/#1507712636471-31397811-0284be2a-7469 and there were no cases reported during the last period.

14. RECEIPT OF ANY COMMISSION BY MD / WTD FROM A COMPANY OR FOR RECEIPT OF COMMISSION / REMUNERATION FROM ITS HOLDING OR SUBSIDIARY:

No commission has been received by MD/WTD from a Company and/or receipt of commission/remuneration from its Subsidiary Companies to be provided during the financial year under review.

15. EXTRACT OF ANNUAL RETURN:

As required pursuant to the provisions of Section 92(3) of the Companies Act, 2013 read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of Annual Return in Form MGT 9 as a part of this Annual Report is attached as Annexure I and the same is published on the website of the Company.

16. INFORMATION ABOUT THE FINANCIAL PERFORMANCE / FINANCIAL POSITION OF THE SUBSIDIARIES / ASSOCIATES/ JV:

The Company has following 2 Subsidiaries:

a) Cerebra LPO India Limited, India
b) Cerebra Middle East FZCO, Dubai

Financial performance of the Subsidiary Companies referred to in Section 129 of the Companies Act, 2013 in Form AOC-1 is annexed to this Report as Annexure-II.

The Policy for determining material Subsidiaries as approved by the Board is uploaded on the Company's website of the Company at http://cerebracomputers.com/reports-and-filings/#1507730192049-a12a6fb8-eafebe2a-7469.

17. STATUTORY AUDITORS:

Messrs Ishwar & Gopal, Chartered Accountants, Bangalore (Firm No. 001154S), were appointed as the Statutory Auditors of the Company for a second term of 5 (five) years i.e., up to financial year 2019-20 at the 21st Annual General Meeting held on 29th September, 2015.

Since their term will be completing at the ensuing Annual General Meeting, the Board has recommended the appointment of Messrs YCRJ & Associates, Chartered Accountants, Bangalore (Firm Registration No. 006927S) as Statutory Auditors of the Company for a period of 5 (five) years, to hold office from the conclusion of this AGM till the conclusion of the 31st (thirty first) AGM to be held in the year 2025.

Messrs YCRJ & Associates, Chartered Accountants have confirmed that they satisfy the independence criteria as per Companies Act, 2013 and Code of ethics issued by the Institute of Chartered Accountants of India.

QUALIFICATIONS IN THE AUDIT REPORT:

Statutory Auditors Comments regarding emphasis matter of Auditors Report dated 27th July, 2020:

Qualification

The Company has not maintained proper inventory records in its e-waste division. We have been informed that valuation of inventories of the said division as on 31st March 2020 is made based on the quantitative reconciliation of materials issued for and generated from processing based on theoretical standards and actual quantity of goods sold. Value of e waste division inventories considered in the financial statement as at 31st march 2020 amounted to Rs. 624.87 Lakhs owing to the nature of inventory and in the absence of sufficient audit evidence we are unable to ascertain the correctness of the valuation and ascertain its consequent impact, if any, on the Ind AS Standalone financial statements.

Emphasis of Matters

1. Advances and receivables outstanding for substantial period for which no provision is made as the management is confident of recovering the same either in cash or in kind.
   a. Loans and advances include Rs. 769.52 Lakhs (Rs. 861.12 Lakhs) advanced for purchase for immovable property. Refer Note No. 37.1 to the standalone financial statement
   b. Advance for import of property plant and equipment's /software amounting to Rs. 1065.94 Lakhs is outstanding for a substantial period of time. Refer Note No. 37.6 to the standalone financial statement
   c. Advances of Rs. 593.97 Lakh due from a subsidiary whose net worth is fully eroded. The Company has made an investment of Rs. 3.50 Lakhs (Previous year Rs 3.50 Lakhs) in this subsidiary for which also impairment provision is not made. – Refer Note No. 37.4 to the standalone financial statement
   d. Trade receivables include Rs. 3675.48 Lakhs (Previous year Rs. 3902.69) of e waste division wherein recovery is linked with balance supply of minimum quantity. Refer Note No. 37.3 to the standalone financial statement
   e. Other trade receivables Rs. 825.63 Lakhs is outstanding for more than two years. Refer Note No 37.6 to the standalone financial statement
2. Confirmation of balance is not received for trade receivables amounting Rs. 8805.70 Lakhs, trade payables amounting Rs. 3771.95 lakhs and advances amounting Rs. 2059.19 Lakhs. Refer Note 46.

Board's Responses:

With regard to qualification of the Statutory Auditors for Inventory Records above, the Management is of the opinion that there may not be any material impact as the valuation is carried out based on the physical verification carried out by them and the Company is in the process of implementing suitable software to maintain the stock records.

As regards emphasis matters no. 1 above, the Management is confident of recovering the same either in cash or in kind and hence no provision is made in the accounts, **at the time of printing this Annual Report, the company has recovered 63% of Trade receivables** and as regards emphasis matters no. 2 above, the Management could not get the confirmation of balance from Vendors and Customers as their offices were closed due to COVID 19.

18. SECRETARIAL AUDITOR:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Mr. Parameshwar G Bhat, Bangalore, a Company Secretary in Practice to undertake the Secretarial Audit of the Company. The Report of the Secretarial Auditor in the Form MR-3 is annexed to this Report as **Annexure III.**

Explanations by the Board on the comments of Secretarial Auditors:

Sl. No.	Qualifications made by Secretarial Auditor	Explanations by the Board
a.	Certain returns or registers under above mentioned general laws were not filed or maintained by the Company in time.	The Company will ensure to file and maintain in time in future.
b.	There were some instances of non-compliances of the provisions of Section 185 of the Companies Act, 2013 with regard to providing loan/advance facility to its Subsidiary during the previous years and the said loan is continuing during the year as well	The Company will ensure to comply with the same in future. Loans and Advances were given to the Subsidiary Companies for day to day operational purpose for the earlier financial years. The Company is confident to recover the same.

19. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE OUTGO:

(A) Conservation of energy: Steps taken / impact on conservation of energy,	The Company's operations are not power intensive. Nevertheless, your Company has introduced various measures to conserve and minimize the use of energy wherever it is possible.
(i) Steps taken by the company for utilizing alternate sources of energy including waste generated	Nil
(ii) Capital investment on energy conservation equipment	Not Applicable
Total energy consumption and energy consumption per unit of production as per Form A	Not Applicable

(B) Technology absorption:

Efforts in brief, made towards technology absorption, adaptation and innovation	Nil
Benefits derived as a result of the above efforts, e.g. product improvement, cost reduction, product development, import substitution, etc.	Not Applicable
In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year), following information may be furnished:	Nil
Technology imported	Not Applicable
Year of Import	Not Applicable
Has technology been fully absorbed	Not Applicable
If not fully absorbed, areas where this has not taken place, reasons therefore and future plan of action	Not Applicable

(C) Research and Development (R&D)

Specific areas in which R & D carried out by the company	The Company has not carried out any research and development work during the course of the year.
Benefits derived as a result of the above R & D	Not Applicable
Future plan of action	Not Applicable
Expenditure on R & D	
(a) Capital	Nil
(b) Recurring	Nil
(c) Total	Nil
(d) Total R & D expenditure as a percentage of total turnover	Nil

D) Foreign exchange earnings and Outgo

Activities relating to exports	Not Applicable
Initiatives taken to increase exports	Not Applicable
Development of new export markets for products and services	Not Applicable
Export plans	Not Applicable
Total Exchange used (Cash basis)	As on 31st March, 2020: Rs. 2,43,23,660/-
Total Foreign Exchange Earned (Accrual Basis)	As on 31st March, 2020: Rs. 60,00,000/-

20. RATIO OF REMUNERATION TO EACH DIRECTOR:

The Company had 184 employees as on 31st March, 2020. Pursuant to the provisions of Section 197(12) of the Companies Act, 2013 and read with Rules 5(1), (2) and (3) of the Companies (Appointment and Remuneration) Rules, 2014, details/disclosures of Ratio of Remuneration to each Director to the median employee's remuneration is annexed to this report as Annexure-IV.

There are no employees posted and working in a country outside India, not being Directors or relatives, drawing more than Rupees One Crore Two Lakhs Rupees per financial year or Rupees Eight Lakhs Fifty Thousand per month as the case may be. Therefore, a statement/disclosure pursuant to Sub Rule 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is not required to be circulated to the Members and is not attached to the Annual Report.

21. DEPOSITS:

Your Company has not invited/accepted/renewed any deposits from public as defined under the provisions of Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014 and accordingly, there were no deposits which were due for repayment on or before 31st March, 2020.

22. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS:

No Order was passed by any Court or Regulator or Tribunal during the period under review which impacts going concern status of the Company.

23. DETAILS OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS:

The Company continued to maintain, high standards of internal control designed to provide adequate assurance on the efficiency of operations and security of its assets. The adequacy and effectiveness of the internal control across various activities, as well as compliance with laid-down systems and policies are comprehensively and frequently monitored by your Company's management at all levels of the organization. The Audit Committee, which meets atleast four times a financial year, actively reviews internal control systems as well as financial disclosures with adequate participation, inputs from the Statutory, Internal and Corporate Secretarial Auditors.

24. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

During the financial year under review, the Company has not given any loan, Guarantees or made Investments within the meaning of Section 186 of the Companies Act, 2013.

25. RISK MANAGEMENT POLICY:

The Company has not yet formulated a Risk Management Policy as it is not applicable to the Company. The Company has in place a mechanism to inform the Board Members about risk assessment and minimization procedures and undertakes periodical review to ensure that executive management controls risk by means of a properly designed framework.

26. INDUSTRIAL RELATIONS:

Industrial relations have been cordial and constructive, which have helped your Company to achieve production targets.

27. RELATED PARTY TRANSACTIONS:

There were no related party transactions during the financial year for disclosure.

However, the Policy on Related Party Transactions as approved by the Board is uploaded on the Company's website at http://cerebracomputers.com/reports-and-filings/#1507712636471-31397811-0284be2a-7469.

28. FORMAL ANNUAL EVALUATION:

Pursuant to the provisions of the Companies Act, 2013 and the Listing Regulations, the Board has carried out an annual performance evaluation of its own performance and the Directors individually. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.

29. LISTING WITH THE STOCK EXCHANGES:

The Company confirms that it has paid the Annual Listing Fees for the financial year 2020-21 to National Stock Exchange of India Limited (NSE) and BSE Limited where the Company's Shares are listed.

30. CORPORATE GOVERNANCE AND SHAREHOLDERS INFORMATION:

A separate Report on Corporate Governance in terms of Regulation 34 of SEBI (listing Obligations and Disclosure Requirements) Regulations, 2015 along with a Certificate from a Practising Company Secretary regarding compliance to the Conditions stipulated under Chapter IV of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is attached to this report as Annexure V.

31. CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY:

The Company has formulated CSR Policy pursuant to the provisions of Section 135 of the Companies Act, 2013.The Company has constituted a Corporate Social Responsibility (CSR) Committee comprising of following Members as on 31st March, 2020:

1. Mr. V Ranganathan - Chairman
2. Mr. Shridhar S Hegde - Member
3. Mr. P Vishwamurthy - Member
4. Mr. P E Krishnan - Member

During the financial year 2019-20, Rs. 43,14,927/- (Rupees Forty Three Lakhs Fourteen Thousand Nine Hundred and Twenty Seven only) had to be spent towards Corporate Social Responsibility activities as specified in Schedule VII of the Companies Act, 2013.

However, the Company has spent amount of Rs. 10,32,710/- only (Rupees Ten Lakhs Thirty Two Thousand Seven Hundred and Ten only) before the 31st March, 2020 and unspent amount is Rs. 32,82,217/- (Rupees Thirty Two Lakhs Eighty Two Thousand Two Hundred and Seventeen only).

The details of Expenditures on CSR activities are attached as Annexure VI to this Report.

32. MANAGEMENT DISCUSSION AND ANALYSIS:

The Management Discussion and Analysis Report is annexed herewith as Annexure VII.

33. BUSINESS RESPONSIBILITY REPORT:

Since your Company is one among the top 1000 Listed Companies based on market capitalization as of 31st March, 2020, separate Section on Business Responsibility is annexed as Annexure VIII and forms part of this Annual Report pursuant to Regulation 34(2)(f) of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 (as amended from time to time).

34. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:

Your Company has always believed in providing a safe and harassment free workplace for every individual working in Company's premises through various interventions and practices. The Company always endeavours to create and provide an environment that is free from discrimination and harassment including sexual harassment.

Policy on Prevention of Sexual Harassment at Workplace has been released by the Company. The Policy aims at prevention of harassment of employees and lays down the guidelines for identification, reporting and prevention of undesired behaviour. The Internal Complaints Committee (ICC) was set up from the senior management with women employees constituting majority. The ICC is responsible for redressal of complaints related to sexual harassment and follows the guidelines provided in the Policy.

No complaints pertaining to sexual harassment was reported during the financial year.

35. DIRECTORS' RESPONSIBILITY STATEMENT:

In pursuance of Section 134(5) of the Companies Act, 2013, the Directors hereby confirm that:

(a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

(b) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;

(c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(d) the Directors had prepared the annual accounts on a going concern basis; and

(e) the Directors, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.

(f) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

36. DISCLOSURE REQUIREMENTS:

As per SEBI Listing Regulations, the Corporate Governance Report with the Auditors' Certificate thereon and Management Discussion and Analysis are attached, which forms part of this report. The Company has devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards issued by the Institute of Company Secretaries of India from time to time and that such systems are adequate and operating effectively.

37. ACKNOWLEDGEMENTS:

The Directors place on record their appreciation for valuable contribution made by employees at all levels, active support and encouragement received from the Government of India, Government of Karnataka, Company's Bankers, Customers, Principals, Business Associates and other Acquaintances.

The Directors regret the loss of life due to COVID-19 pandemic and are deeply grateful and have immense respect for every person who risked their life and safety to fight this pandemic.

Your Directors recognize the continued support extended by all the Shareholders and gratefully acknowledge with a firm belief that the support and trust will continue in future also.

For and on behalf of Cerebra Integrated Technologies Limited

Date: 27th July, 2020
Place: Bangalore

Ranganathan
Managing Director
DIN: 01247305
Address: Brindavan 90, 3rd Cross,
Sri Venkateshwara Krupa Layout
West of Chord Road, Bangalore-560 079

P Vishwamurthy
Whole Time Director
DIN: 01247336
Address:No.: 22 A, 'VANASUMA'
3rd Stage, 4th Block,
Basveshwaranagar
Bangalore-560 079

Annexure I

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March, 2020

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i. CIN:L85110KA1993PLC015091
ii. Registration Date: 31st December, 1993
iii. Name of the Company: Cerebra Integrated Technologies Limited
iv. Category/Sub-Category of the Company: Company limited by Shares and Indian Non-Government Company
v. Address of the Registered Office and contact details:

Registered Office Address: S5, Off 3rd Cross, Peenya Industrial Area
Peenya I Stage, Bangalore-560 058
Tel.: 080-22046969
Fax.: 080-22046980
Email: investors@cerebracomputers.com
Website: www.cerebracomputers.com

vi. Whether Listed Company: Yes
vii. Name, Address and Contact details of Registrar and Share Transfer Agent:

Registrars: KFIN Technologies Private Limited
Selenium Tower B, Plot number 31 & 32
Financial District, Nanakramguda, Serilingampally Mandal
Hyderabad-500 032, India

Tel.:91 40-67161564
Fax.:91 40-23420814
E-mail: laxmi.rajyam@kfintech.com
Website: www.kfintech.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

All the business activities contributing 10% or more of the total turnover of the Company shall be stated:

Sl. No.	Name and Description of main products / services	NIC Code of the Product / service	% to total turnover of the Company
1	Hardware including trading of Refurbished computer accessories	46511/12	45.64
2	E-waste Recycling	38300	44.36
3	Electronic Manufacturing Services	26104	5
4	Computer consultancy and computer facilities management activities	62020	5

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Cerebra LPO India Limited	U72200KA2008PLC047597	Subsidiary Company	70	2(87)(ii)
2	Cerebra Middle East FZCO, Dubai, UAE	Foreign Company	Subsidiary Company	86.5	2(87)(ii)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the financial year				% Change During the financial year
	Demat	Physical	Total	% of Total shares	Demat	Physical	Total	% of Total shares	
A. Promoters									
(1) Indian									
a) Individual / HUF	6792805	800000	7592805	6.27	8603219	0	8603219	7.10	0.83
b) Central Govt-	-	-	-	-	-	-	-	-	-
c) State Govt (s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other….	-	-	-	-	-	-	-	-	-
Sub-total (A) (1)	**6792805**	**800000**	**7592805**	**6.27**	**8603219**	**0**	**8603219**	**7.10**	**0.83**
(2) Foreign	-	-	-	-	-	-	-	-	-
a) NRIs -Individuals	-	-	-	-	-	-	-	-	-
b) Other – Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other….	-	-	-	-	-	-	-	-	-
Sub-total (A) (2)	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	**6792805**	**800000**	**7592805**	**6.27**	**8603219**	**0**	**8603219**	**7.10**	**0.83**
B. Public Shareholding									
1. Institutions									
a) Mutual Funds				-	-	-	-	-	-
b) Banks / FI	1800715	0	1800715	1.49	230	0	230	0.01	-1.48
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs/FPI	4699000	0	4699000	3.88	10122037	0	10122037	8.35	4.47
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1)	6499715	0	6499715	5.37	10122267	0	10122267	8.36	2.99
2. Non-Institutions									
a) Bodies Corp.					-	-	-	-	-
I) Indian	34743802	0	34743802	28.67	16915864	0	16915864	13.96	-14.71
ii) Overseas	14200000	6900000	21100000	17.41	14200000	6900000	21100000	17.41	0.00
b) Individuals					-	-	-	-	-
i) Individual shareholders holding nominal share capital upto Rs. 2 lakh	11179739	270024	11449763	9.45	11314419	264814	11579233	9.55	0.10
ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakh	38457262	0	38457262	31.73	48327601	0	48327601	39.88	8.15
c) Others (specify) NRI Clearing Members NBFC Registered with RBI	1041658	0	1041658	0.86	4538298	0	4538298	3.74	2.04
Sub-total (B)(2)	99923938	7170024	107093962	88.37	95296182	7164814	102460996	84.54	-0.70
Total Public Shareholding (B)=(B)(1) + (B)(2)	106423653	7170024	113593677	93.73	105418449	7164814	112583263	92.90	-0.19
C. Shares held by Custodian for GDRs & ADRs									
Grand Total (A+B+C)	**113216458**	**7970024**	**121186482**	**100.00**	**114021668**	**7164814**	**121186482**	**100.00**	

(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	% change in share holding during the year
1.	Mr. V Ranganathan	2185666	2.38	0	3896080	3.21	0	0.83
2.	Mr. P Vishwamurthy	998130	0.83	0	998130	0.83	0	0
3.	Mr. Shridhar S Hegde	2688307	2.22	0	2688307	2.22	0	0
4.	Mr. Phalanetra Bharath	1010702	0.84	0	1010702	0.84	0	0.0
5.	Mrs. Preethi Bharath	10000	0.01	0	10000	0.01	0	0.00
	Total	**6892805**	**6.27**	**0**	**8603219**	**7.10**	**0**	**0.83**

(iii) Change in Promoters' Shareholding

Sl. No.		Shareholding at the beginning of the financial year		Cumulative Shareholding during the financial year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
	At the beginning of the year	7592805	6.27	8603219	7.10
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc)	-	-		
	Allotment on conversion of warrant			1010414	-
	At the end of the years	7592805	6.27	8603219	7.10

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	Top 10 Shareholders (*) (Messrs)	Shareholding at the beginning of the year i.e., 1st April, 2019		Cumulative Shareholding at the end of the year i.e., 31st March, 2020	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1	Kuber Global Fund	11900000	9.82%	11900000	9.82%
2	Manish Lakhi	1923720	1.60%	9423720	7.78%
3	SSJ Finance & Securities Pvt. Ltd	5198627	4.32%	4453565	3.67%
4	Scenic Overseas(S) Pte Ltd. Singapore	3600000	2.99%	3600000	2.97%
5	Silver Stallion Limited	4700000	3.90%	3355000	2.77%
6	Leytron Technology Pte.Ltd. Singapore	3300000	2.74%	3300000	2.72%
7	LPP Developers Private Limited	2700000	2.24%	2700000	2.23%
8	Niraj Rajnikant Shah	1995114	1.66%	2556818	2.11%
9	Cimelia Resource Recovery Pte Ltd	2300000	1.91%	2300000	1.90%
10	Pushkar Banijya Limited	2239006	1.86%	2239006	1.85%
11	Dhanlaxmi Jaswantrai Mehta	200000	0.17%	1599348	1.32%

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	For Each of the Directors and KMP	**No. of Shares**	**% of total Shares of the Company**	**No. of Shares**	**% of total Shares of the Company**
	At the beginning of the year	6307589	5.24	7582517	6.26
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase /decrease (e.g. allotment /transfer / bonus/ sweat equity etc)	Purchase from the open market	-	-	-
	At the end of the year	6307589	5.24	7582517	6.26

V. INDEBTEDNESS:

Indebtedness of the Company including interest outstanding/accrued but not due for payment:

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
I) Principal Amount	12832612	0	0	12832612
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	**12832612**	**0**	**0**	**12832612**
Change in Indebtedness during the financial year				
• Addition	33165388	0	0	33165388
• Reduction		0	0	
Net Change	**33165388**	**0**	**0**	**33165388**
Indebtedness at the end of the financial year				
I) Principal Amount	45998000	0	0	45998000
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	**45998000**	**0**	**0**	**45998000**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager			Total Amount (In Rupees)
		Mr. V Ranganathan	**Mr. Shridhar S Hegde**	**Mr. P Vishwamurthy**	
1	1. Gross salary				
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	24,00,000	24,00,000	24,00,000	72,00,000
	(b) Value of perquisites under Section 17(2) Income Tax Act, 1961	1,15,200	1,15,200	1,15,200	3,45,600
	(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	0	0	0	0
2	Stock Option	0	0	0	0
3	Sweat Equity	0	0	0	0
4	Commission - as % of profit	0	0	0	0
	- others, specify…	0	0	0	0
5	Others, please specify	0	0	0	0
	Total (A)	**25,15,200**	**25,15,200**	**25,15,200**	**75,45,600**
	Ceiling as per the Act	-	-	-	-

B. Remuneration to other Directors:

Not Applicable

In Rs.

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

Sl. No.	Particulars of Remuneration	Key Managerial Personnel	Total Amount
		Company Secretary	
1	1. Gross salary	Mrs. Nutan Soudagar	
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	3,80,664	3,80,664
	(b) Value of perquisites u/s 17(2) Income Tax Act, 1961	18,264	18,264
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0	0
2	Stock Option	0	0
3	Sweat Equity	0	0
4	Commission	0	0
	- as % of profit	0	0
	- others, specify…	0	0
5	Others, please specify	0	0
	Total	**3,98,928**	**3,98,928**

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made if any (give Details)
A.	**COMPANY**				
	Penalty Punishment Compounding		None		
B.	**DIRECTORS**				
	Penalty Punishment Compounding		None		
C.	**OTHER OFFICERS IN DEFAULT**				
	Penalty Punishment Compounding		None		

For and on behalf of Cerebra Integrated Technologies Limited

Date: 27th July, 2020

Place: Bangalore

Ranganathan
Managing Director
DIN: 01247305
Address: Brindavan 90, 3rd Cross,
Sri Venkateshwara Krupa Layout
West of Chord Road, Bangalore-560 079

P Vishwamurthy
Whole Time Director
DIN: 01247336
Address:No.: 22 A, 'VANASUMA'
3rd Stage, 4th Block,
Basveshwaranagar
Bangalore-560 079

Annexure II

Form AOC-1

(Pursuant to first proviso to sub Section(3) of Section 129 read with Rule 5 of the Companies (Accounts) Rules, 2014)

Statement containing salient feature of the financial statement of Subsidiaries/ Associate Companies/ Joint Ventures

Part "A" Subsidiaries

(Information in respect of each Subsidiary to be presented with amounts in Rs.)

Sl. No.	Particulars	Cerebra LPO India Limited	Cerebra Middle East FZCO, Dubai
1.	Reporting period (if different from the holding company's reporting period	31st March, 2020	31st March, 2020
2.	Reporting currency and Exchange rate as on the last date of the relevant Financial Year in case of foreign subsidiaries)	INR	INR
3.	Share Capital	5,00,000	41072000
4.	Reserves and surplus	-70676000	1541454195
5.	Total assets	53000	1802382516
6.	Total Liabilities	70230000	260928321
7.	Investments	NIL	NIL
8.	Turnover	5614000	860271522
9.	Profit before taxation	-539000	75897832
10.	Provision for taxation	NIL	NIL
11.	Profit after taxation	-539000	75897832
12.	Proposed Dividend	Nil	Nil
13.	% of shareholding	70	86.5

For and on behalf of Cerebra Integrated Technologies Limited

Date: 27th July, 2020
Place: Bangalore

Ranganathan
Managing Director
DIN: 01247305
Address: Brindavan 90, 3rd Cross,
Sri Venkateshwara Krupa Layout
West of Chord Road, Bangalore-560 079

P Vishwamurthy
Whole Time Director
DIN: 01247336
Address:No.: 22 A, 'VANASUMA'
3rd Stage, 4th Block,
Basveshwaranagar
Bangalore-560 079

Annexure III

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31.03.2020

Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To

The Members

CEREBRA INTEGRATED TECHNOLOGIES LIMITED

BANGALORE

(CIN: L85110KA1993PLC015091)

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Cerebra Integrated Technologies Limited(CIN: L85110KA1993PLC015091) (hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit,I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31.03.2020 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by Cerebra Integrated Technologies Limited for the financial year ended on 31.03.2020 according to the provisions of following Acts/Rules wherever applicable:

(I) The Companies Act, 2013 (the Act) and the rules made there under;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

(d) Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations,2013;

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;

(I) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

(j) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

(k) Circulars/Guidelines issued thereunder.

(vi) The industry specific laws applicable to the Company are:

1. The Information Technology Act, 2000
2. Policy relating to Software Technology Parks of India and its regulations
3. The Indian Copyright Act, 1957
4. The Patents Act, 1970
5. The Trade Marks Act, 1999
6. E-Waste Management Rules, 2016

(vii) The other following general laws as may be applicable to the Company, wherever applicable:

(1) Employer/Employee Related laws & Rules:

I. Industries (Development & Regulation) Act, 1951

ii. The Factories Act, 1948

iii. The Employment Exchanges (Compulsory notification of Vacancies) Act, 1959

iv. The Apprentices Act, 1961
v. The Employees Provident Fund & Miscellaneous Provisions Act, 1952
vi. The Employees State Insurance Act, 1948
vii. The Workmen's Compensation Act, 1923
viii. The Maternity Benefits Act, 1961
ix. The Payment of Gratuity Act, 1972
x. The Payment of Bonus Act, 1965
xi. The Industrial Disputes Act, 1947
xii. The Trade Unions Act, 1926
xiii. The Payment of Wages Act, 1936
xiv. The Minimum Wages Act, 1948
xv. The Child Labour (Regulation & Abolition) Act, 1970
xvi. The Contract Labour (Regulation & Abolition) Act, 1970
xvii. The Industrial Employment (Standing Orders) Act, 1946
xviii. Equal Remuneration Act, 1976
xix. Inter-State Migrant Workmen (Regulation of Employment and Conditions of Services) Act, 1979
xx. The Sexual Harassment of Women at Work Place (Prevention, Prohibition & Redressal) Act, 2013
xxi. Persons with Disabilities (Equal Opportunities, Protection of Rights and Full Participation) Act, 1996
xxii. Prohibition of Employment as Manual Scavengers and their Rehabilitation Act, 2013
xxiii. Dangerous Machines (Regulation) Act, 1983
xxiv. Indian Boilers Act, 1923
xxv. The Industrial Establishments (National and Festival Holidays) Act, 1963
xxvi. The Labour Welfare Fund Act, 1965
xxvii. The Karnataka Daily Wage Employees Welfare Act, 2012
xxviii. For majority of Central Labour Laws the State has introduced Rules [names of each of the Rules is not included here]

(2) Environment Related Acts & Rules:

I. The Environment Protection Act, 1986
ii. The Water (Prevention & Control of Pollution) Act, 1974
iii. The Air (Prevention & Control of Pollution) Act, 1981
iv. Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008.
v. The Karnataka Ground Water (Regulation for Protection of Sources of Drinking Water) Act, 1999

3) Economic/Commercial Laws & Rules:

i. The Competition Act, 2002
ii. The Indian Contract Act, 1872
iii. The Sales of Goods Act, 1930
iv. The Forward Contracts (Regulation) Act, 1952
v. The Indian Stamp Act, 1899
vi. The Transfer of Property Act, 1882

I have also examined compliances with the applicable clauses of the Secretarial Standards issued by the Institute of Company Secretaries of India on the Board and General Meetings i.e., SS - 1 and SS – 2.

I further state that during the period under review and based on my verification of the records maintained by the Company and also on the review of compliance reports/statements by respective department heads/Chief Financial Officer/ Company Secretary taken on record by the Board of Directors of the Company, in my opinion, adequate systems and process and control mechanism exist in the Company to monitor and ensure compliance with applicable Labour Laws, environmental laws and other applicable laws as mentioned above. Certain non-material findings made during the course of the audit relating to the provisions of Companies Act, Labour Laws and Secretarial Standards. Following observations have been brought before the Shareholders which are treated as material in nature:

a) Certain returns or registers under above mentioned general laws were not filed or maintained by the Company in time.

b) There were some instances of non-compliances of the provisions of Section 185 of the Companies Act, 2013 with regard to providing loan/advance facility to its Subsidiary during the previous years and the said loan is continuing during the year as well.

Further, I report that with regard to financial and taxation matters, I have relied on the Audit Report, Limited Review Report and the Internal Audit Report provided by the Statutory/Internal Auditor as the case may be.

I further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors subject to the observation made above. The changes in the composition of the Board of Directors which took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes as per the practice followed. However, during the period under report, there was no such case instance.

I further report that the Company had entered into 3 Master Services Agreements with Cimelia Resource Recovery Pte Ltd, Leytron Technologies Pte Ltd and Restorer Corp Pte Ltd for which it had allotted 92,00,000 (Ninety Two Lakhs) Equity Shares on 24th May, 2011 for a consideration other than cash upon the receipt of FIPB approval as advances for setting up e-Waste plant in India for supply of Plant and Machinery, Implementation, installation; commissioning and proper working of plant and machineries and Technical knowhow, setting up of plant & machinery, identification of suppliers etc.

Further, certain disputes arose among the above parties and the Company in respect of the performance of the Agreements and matters related thereto. Consequently, the Company initiated the proceedings against the parties claiming several reliefs before the Arbitral Tribunal under the Arbitration and Conciliation Act, 1996.

After considerable proceedings with multiple hearings, the parties decided to amicably settle their inter-se disputes and accordingly agreed for the settlement and filed the Compromise Petition under the Arbitration and Conciliation Act, 1996.

Based on the above said Petition, Award has been passed by the Hon'ble Arbitral Tribunal in the matter of Arbitration Dispute under the Arbitration and Conciliation Act, 1996 on 22nd March, 2019 for the Reduction of Share Capital of the Company by 92 Lakhs Equity Shares, subject to the provisions of Section 66 of the Companies Act, 2013 read with the National Company Law Tribunal (Procedure for Reduction of Share Capital) Rules, 2016 and subject to the approval of the Shareholders and confirmation by the Hon'ble National Company Law Tribunal, Bengaluru Bench.

The Company has received No observation Letters/NOCs from the Stock Exchanges for Reduction of Share Capital on 29th June, 2020 and 30th June, 2020 respectively. Further, the Company is in the process to file the Application before the National Company Law Tribunal, Bench, at Bengaluru pursuant to the Companies Act and SEBI Regulations.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that I could not physically verify few documents/registers/returns due to Lockdown situation in relation to outbreak of Pandemic Covid-19 and I have relied up on the soft copies/information shared with me.

Place: Bangalore
Date: 27th July, 2020

Parameshwar G. Bhat
FCS No.: 8860
C P No.: 11004
UDIN: F008860B000507633

Note: This report is to be read with my letter of even date which is annexed as Annexure and forms an integral part of this report.

'Annexure'

My report of even date is to be read along with this letter:

1. Maintenance of secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on our audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of Secretarial Records. The verification was done on test basis to ensure that correct facts are reflected in the secretarial records. I believe that the processes and practices, I have followed provide a reasonable basis for our opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company including records under Income Tax Act, Customs Act, Goods and Service Tax Act.
4. Where ever required, the Company has represented about the compliance of laws, rules and regulations and happening of events etc as applicable from time to time.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of Management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

Place: Bangalore
Date: 27th July, 2020

Parameshwar G. Bhat
FCS No.: 8860
C P No.: 11004

Annexure IV

RATIO OF REMUNERATION

(I)	the ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year;	2:1
(ii)	the percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;	1. Mr. V Ranganathan-Managing Director-0% 2. Mr. Shridhar S Hegde-Whole Time Director and CFO-0% 3. Mr. P Vishwamurthy- Whole Time Director - 0% 4. Mrs. Nutan Soudagar-Company Secretary-15.86%
(iii)	the percentage increase in the median remuneration of employees in the financial year;	(7.30%)
(iv)	the number of permanent employees on the rolls of company;	As on 31st March, 2020 184 Members
(v)	the explanation on the relationship between average increase in remuneration and company performance;	Increase in remuneration is based on the industrial standard and experience of each employees
(vi)	comparison of the remuneration of the Key Managerial Personnel against the performance of the company;	Remuneration paid to Key Managerial person is based on Remuneration Policy of the Company
(vii)	variations in the market capitalisation of the company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer in case of listed companies, and in case of unlisted companies, the variations in the net worth of the company as at the close of the current financial year and previous financial year;	There is no material variation in the share price
(viii)	average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;	This is as per the Company's increment guidelines
(ix)	comparison of each remuneration of the Key Managerial Personnel against the performance of the company	This is as per the Company's increment guidelines
(x)	the key parameters for any variable component of remuneration availed by the directors;	Not Applicable
(xi)	the ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year;	Not Applicable
(xii)	affirmation that the remuneration is as per the Remuneration Policy of the company.	Yes

For and on behalf of Cerebra Integrated Technologies Limited

Date: 27th July, 2020

Place: Bangalore

Ranganathan
Managing Director
DIN: 01247305
Address: Brindavan 90, 3rd Cross,
Sri Venkateshwara Krupa Layout
West of Chord Road, Bangalore-560 079

P Vishwamurthy
Whole Time Director
DIN: 01247336
Address:No.: 22 A, 'VANASUMA'
3rd Stage, 4th Block,
Basveshwaranagar
Bangalore-560 079

Annexure V

ANNEXURE TO THE BOARD'S REPORT
REPORT ON CORPORATE GOVERNANCE

The Directors present the Company's Report on Corporate Governance for the financial year ended 31st March, 2020, in compliance with Regulation 34(3) read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time("Listing Regulations").

1. A BRIEF STATEMENT ON COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

As reported in the last Annual Report, your Company has implemented and complied with the Corporate Governance Code recommended by Securities and Exchange Board of India (SEBI). Your Company shall always be managed with the principles of Good Corporate Governance with a view to enhance overall Shareholder value and to run the business effectively to achieve its corporate objectives.

2. BOARD OF DIRECTORS:

The present strength of the Board is 10 (Ten) Directors, comprising of 3 (three) Executive Directors, 2 (two) Non-Executive, Non-Independent Directors, 5 (five) Non-Executive, Independent Directors including one Independent Woman Director. The Chairman of the Board is a Non-Executive Independent Director. The profiles of the Directors are available on the website of the Company at www.cerebracomputers.com. The Company meets the requirement of Regulation 17(1) of the Listing Regulations read with Section 149 of the Companies Act, 2013 (the 'Act') in terms of the composition of its Board.

After due circulation of agenda and notes thereon, the Board of Directors met at reasonable periods of intervals to transact business on various Board's functions, responsibilities and accountabilities. Compliances of various Laws and Regulations along with the Corporate Philosophy, goal, plans and strategies have been dwelt at length by the Board at its various proceedings.

The Board of Directors confirms that all the Independent Directors of the Company are in compliance with the Companies Act, 2013 and fulfil the conditions specified under the Listing Regulations and are Independent of the Management of the Company.

Declaration under Schedule V, Part C, Clause 10(I) of SEBI (Listing Obligations and Disclosure Requirement) (Amendment) Regulations, 2018:

Pursuant to Regulation 17A of the Listing Regulations, none of the Directors holds directorships in more than 8 (eight) Listed Companies or 10 (ten) public companies or acts as an Independent Director in more than 7 (seven) Listed Companies. Also, none of them is a Member of more than 10 (ten) Committees or Chairperson of more than 5 (five) Committees across all the public companies in which he or she is a Director in terms of Regulation 26 of the Listing Regulations. Necessary disclosures regarding Committee positions in other public companies as on 31st March, 2020 has been received from the Directors.

All the Directors have confirmed that they are neither debarred nor disqualified from being appointed or continuing as Director by Securities and Exchange Board of India / Ministry of Corporate Affairs or any such Statutory Authority.

As required under Regulation 25(8) of the Listing Regulations, the Independent Directors of the Company have confirmed that they are not aware of any circumstances or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties.

The Company has obtained a Certificate to this effect from Mr. Vijayakrishna K.T., Practising Company Secretary, Bangalore as mandated under Schedule V, Part C, Clause 10(i) of SEBI (Listing Obligations and Disclosure Requirement) (Amendment) Regulations, 2018.

The details of the Directors' attendance at the Meetings of the Board of your Company during the financial year end 31st March, 2020 are given below:

Sl. No.	Name	DIN	Category	Designation	No. of Board Meetings attended	No. of Directorship in other Companies incorporated in India	No. of Committee memberships in other Companies incorporated in India	No. of Committee chairmanship in other Companies incorporated in India	Attended last AGM
1.	Mr. V Ranganathan	01247305	Executive Director (Promoter Group)	Managing Director	5	2	-	-	Yes
2.	Mr. Shridhar S Hegde	01247342	Executive Director (Promoter Group)	Whole Time Director	5	1	-	-	Yes
3.	Mr. P Vishwamurthy	01247336	Executive Director (Promoter Group)	Whole Time Director	5	1	-	-	Yes
4.	Mrs. Preethi Javali	07157145	Non-Executive Director	Non-Executive Director	2	-	-	-	No
5	*Mr. Suresh Kumar T. S.	00674759	Non-Executive and Independent Director	Independent Director	-	2	-	-	No
6	Mr. P.E. Krishnan	01897686	Non-Executive and Independent Director	Independent Director	5	2	-	-	Yes

7	Mr. S Gopalakrishnan	01898255	Non-Executive and Independent Director	Independent Director	5	-	-	-	No
8	Mr. Riyaz Suterwalla	07866056	Non-Executive and Non-Independent Director	Professional Director	3	-	-	-	No
9	**Mr. MVS Vasan	01088868	Non-Executive and Independent Director	Independent Director	2	-	-	-	No

- * Mr. TS Sureshkumar resigned from the office of Independent Director of the Company w.e.f. 27th May, 2019 due to personal reasons i.e., disqualified Director by the Registrar of Companies under the provisions of Section 164(2) of the Companies Act, 2013, due to technical reasons.
- **Mr. MVS Vasan was appointed as an Additional Director of the Company w.e.f. 12th August, 2019

Notes:

a. Private Limited Companies, Foreign Companies and the Companies under Section 8 of the Companies Act, 2013 are excluded for the above purpose.

b. Chairpersonship / Membership in the Audit and Stakeholders' Relationship Committee of listed and un-listed Public Companies are considered for the above purpose.

c. None of the Directors is a Member in neither more than 10 Committees, nor a Chairman in more than 5 Committees across all Companies in which he is a Director.

Post completion of the financial year, the Board at its Meeting held on 12th May, 2020, appointed Mrs. Bhavna Philipose (holding DIN: 08741062) as an Additional Director of the Company who is categorized as Non-Executive and Independent Director of the Company w.e.f. 12th May, 2020 for a period of 5 (five) years.

Further, the Board also at its Meeting held on 27th July, 2020 appointed Mr. Parthasarathi Naik (holding DIN:08707417) as an Additional Director of the Company who is categorized as Non-Executive and Independent Director of the Company w.e.f. 27th July, 2020 for the period of 3 (three) years.

DETAILS OF BOARD MEETINGS HELD DURING THE FINANCIAL YEAR:

The Meetings of the Board are held at regular intervals with a time gap of not more than 120 days between two consecutive Meetings.

The Board Directors duly met Five (5) times during the financial year on 30th May 2019, 12th August 2019,12th November 2019, 7th February, 2020 and 12th February 2020.

None of the Non-Executive Directors has any material pecuniary relationship or transactions with the Company.

Skills, Expertise and Competence of the Board of Directors

The following are the list of core skills / expertise / competencies identified by the Board of Directors:

1) Knowledge on Company's businesses, policies and culture major risks / threats and potential opportunities and knowledge of the industry in which the Company operates.
2) Leading growth through acquisitions and other business combinations, with the ability to assess, analyze the fit of a target with the Company's strategy and culture, accurately value transactions, and evaluate operational integration plans.
3) Business Strategy, Sales & Marketing, Management, Administration, Decision Making.
4) Knowledge about maintaining Board and Management accountability, protecting shareholders' interests, and governance practices.
5) Financial and Management skills.
6) Technical / Professional skills and specialized knowledge in relation to Company's business.

Each Director's Skills / expertise / competencies as referred above in point nos.1 to 6:

Sl. No.	Name of the Director	Areas of expertise					
		1	2	3	4	5	6
1.	Mr. V Ranganathan	✓	✓	✓	✓	✓	✓
2.	Mr. Shridhar S Hegde	✓	✓	✓	✓	✓	✓
3.	Mr. P Vishwamurthy	✓	✓	✓	✓	✓	✓
4.	Mrs. Preethi Javali	✓	✓	✓	✓	✓	✓
5.	*Mr. Suresh Kumar T.S.	✓	✓	✓	✓	✓	✓
6.	Mr. P.E. Krishnan	✓	✓	✓	✓	✓	✓
7.	Mr. S Gopalakrishnan	✓	✓	✓	✓	✓	✓
8.	Mr. Riyaz Suterwalla	✓	✓	✓	✓	✓	✓
9.	Mr. MVS Vasan	✓	✓	✓	✓	✓	✓

3. AUDIT COMMITTEE:

The Audit Committee is responsible for over view of the Company's financial reporting process and disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible; recommending the appointment and removal of the Statutory and Internal Auditors, fixation of audit fees, the approval for payment for any other services and reviewing with the management the annual financial statements before submission to the Board.

The Committee also meets the management team and reviews the operations, new initiatives and performance of the business units. The minutes of the Audit Committee are circulated to the Board, discussed and taken note of.

The Audit Committee was comprised of the following Members:

a. Mr. S. Gopalakrishnan - Chairman
b. Mr. T.S. Suresh Kumar* - Member
c. Mr. P.E. Krishnan - Member

* Mr. TS Suresh Kumar resigned from the office of Independent Director of the Company w.e.f. 27th May, 2019.

The Audit Committee was re-constituted w.e.f. 30th May, 2019:

a. Mr. S Gopalakrishnan - Chairman
b. Mr. P.E. Krishnan - Member
c. Mrs. PreethiJavali - Member

Further, on 12th August 2019, Mr. MVS Vasan was appointed as Non-Executive Independent Director of the Company and upon his appointment and in the Board Meeting of the Company held on 12th November, 2019, the Company re-constituted the Audit Committee with immediate effect and as on 31stMarch, 2020, the Audit Committee consists of the following Members:

a. Mr. S. Gopalakrishnan - Chairman
b. Mr. P. E. Krishnan - Member
c. Mrs. MVS Vasan - Member

The Audit Committee met 4 (Four) times during the financial year on 30th May 2019, 12th August 2019, 12th November 2019 and 7th February, 2020.

The details of attendance of the Meetings of the Audit Committee are as follows:

Sl. No.	Name	No. of Meetings attended during the financial year
1.	Mr. S. Gopalakrishnan	4
2.	Mr. T.S. Sureshkumar (till 27th May, 2019)	-
3.	Mr. P.E. Krishnan	3
4.	Mrs. Preethi Javali (from 30th May, 2019 till 12th November, 2019)	-
5.	Mr. MVS Vasan (from 12th November, 2019)	1

The Audit Committee reviewed the financial results, accounting and financial controls as well as Policies and practices as also internal control and Internal Audit Systems.

The terms of reference / role of the Audit Committee cover the matters specified for Audit Committees under Regulation 18 and Part C of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) as well as the provisions of Section 177 of the Companies Act, 2013. The brief description of the terms of reference of the Audit Committee is given below:

a) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
b) Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
c) Approval of payment to the Statutory Auditors for any other services rendered by them;
d) Reviewing, with the management, the annual Financial Statements and Auditor's Report thereon before submission to the Board for approval,
e) Reviewing, with the management, the quarterly Financial results before submission to the board for approval
f) Reviewing the statement of significant related party transactions, if any
g) Discussion with Internal Auditors of any significant findings

4. NOMINATION AND REMUNERATION COMMITTEE:

Pursuant to the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has constituted Nomination and Remuneration Committee.

Following are the terms of reference of the Committee inter-alia, the following:

a) Chairman: Chairman of the Committee shall be an Independent Director as may be elected by the members of the Committee.
b) Quorum: Quorum for Meeting of the Committee shall be a minimum of two members provided one of them shall always be an Independent Director.

c) Frequency of Meetings: The Committee may meet at such times as may be deemed necessary.

d) Role: The Role of the Committee shall include inter-alia the following:

- Formulation of criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a Policy, relating to the remuneration of the Directors, Key Managerial Personnel and other employees;
- Formulation of criteria for evaluation of Independent Directors and the Board including carrying out evaluation of every Director's performance;
- Devising a Policy on Board diversity;
- Identifying persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down, and recommend to the Board for their appointment and removal.
- Such other matters as may be prescribed under the Companies Act, 2013, listing agreement and by the Board of Directors of the Company from time to time.
- recommend to the Board, all remuneration, in whatever form, payable to Senior Management.

e) Invitees: The Committee may invite such executives of the Company and such other persons as it may consider appropriate.

f) Secretary to the Committee: The Company Secretary shall be the Secretary of the Committee who shall flag actions and serve as executive support to the Committee.

Remuneration of employees largely consists of base remuneration, perquisites and performance incentives.

The Nomination and Remuneration Committee was comprised of the following Members:

a. Mr. S. Gopalakrishnan - Chairman
b. Mr. T.S Suresh Kumar - Member
c. Mr. P.E. Krishnan - Member

The Nomination and Remuneration Committee which was re-constituted w.e.f. 30th May, 2019 comprised of the following Members:

a. Mr. S Gopalakrishnan - Chairman
b. Mr. P.E. Krishnan - Member
c. Mrs. PreethiJavali - Member

Further, on 12th August, 2019, Mr. MVS Vasan was appointed as Non-Executive Independent Director of the Company and upon his appointment and in the Board Meeting of the Company held on 12th November, 2019, the Company reconstituted the Nomination and Remuneration Committee with immediate effect and as on 31st March, 2020, the Nomination and Remuneration Committee consists of the following:

a. Mr. S. Gopalakrishnan - Chairman
b. Mr. P. E. Krishnan - Member
c. Mrs. MVS Vasan - Member

The Committee met 2 (two) times during the financial year on 12th August, 2019 and 7th February, 2020.

The details of attendance of the Meetings of the Nomination and Remuneration Committee are as follows:

Sl. No.	Name	No. of Meetings attended during the financial year
1.	Mr. S. Gopalakrishnan	2
2.	Mr. T.S. Sureshkumar (till 27th May, 2019)	-
3.	Mr. P.E. Krishnan	1
4.	Mrs. Preethi Javali (from 30th May, 2019 till 12th November, 2019)	-
5.	Mr. MVS Vasan (from 12th November, 2019)	1

Details of remuneration of all Directors:

Sl. No.	Name	Designation	Salary (in Rs)	Sitting fee*
Executive/Whole Time Directors				
1.	Mr. V Ranganathan	Managing Director	24,00,000	Nil
2.	Mr. Shridhar S Hegde	Whole Time Director	24,00,000	Nil
3.	Mr. P Vishwamurthy	Whole Time Director	24,00,000	Nil
Non-Executive and Independent / Non- Independent Directors				
4.	*Mr. Sureshkumar T S	Independent Director	Nil	NIL
5.	Mr. P.E. Krishnan	Independent Director	Nil	50,000
6.	Mr. S Gopalakrishnan	Independent Director	Nil	60,000
7.	Mrs. Preethi Javali	Non-Executive Director	Nil	15,000
8.	Mr. Riyaz Suterwalla	Non-Executive and Non-Independent Director	Nil	30,000
9	**Mr. MVS Vasan	Independent Director	Nil	40,000

* Mr. TS Suresh Kumar resigned from the office of Independent Director of the Company w.e.f. closure of business hours of 27th May, 2019.

**Mr. MVS Vasan was appointed as an Additional Director of the Company w.e.f. 12th August, 2019.

Fixed Component / Performance Linked Incentive / Criteria:

Performance related Bonus is payable to the Executive Directors only, as per the terms of the Agreement entered into between the Company and the Executive Directors.

Service Contract / Notice Period / Severance Fee:

a) The Contracts of Service entered into by the Company with the Whole Time Directors and Chief Financial Officer and Director, provides that the Company and the Executive Directors shall be entitled to terminate the Agreement by giving Notice period as mentioned in the Agreement in writing on either side.

b) No severance fee is payable by the Company to the Executive Directors on termination of the Agreement.

5. STAKEHOLDERS' RELATIONSHIP COMMITTEE :

The role of the Committee shall inter-alia include the following:

a. Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of Shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.

b. Review of measures taken for effective exercise of voting rights by shareholders.

c. Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.

d. Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the Shareholders of the Company.

The Stakeholders' Relationship Committee was comprised of the following Members:

a. Mr. S. Gopalakrishnan - Chairman

b. *Mr. T.S Sureshkumar - Member

c. Mr. P.E. Krishnan - Member

* Mr. TS Sureshkumar resigned from the office of Independent Director of the Company w.e.f. closure of business hours of 27th May, 2019.

The Stakeholders' Relationship Committee was re-constituted w.e.f. 30th May, 2019:

a. Mr. S Gopalakrishnan - Chairman

b. Mr. P.E. Krishnan - Member

c. Mrs. Preethi Javali - Member

Further, on 12th August 2019, Mr. MVS Vasan was appointed as Non-Executive Independent Director of the Company and upon his appointment and in the Board Meeting of the Company held on 12th November, 2019, the Company reconstituted the Stakeholders' Relationship Committee with immediate effect and as on 31st March, 2020, the Stakeholders' Relationship Committee consists of the following Members:

a. Mr. S. Gopalakrishnan - Chairman

b. Mr. P. E. Krishnan - Member

c. Mr. MVS Vasan - Member

The Committee met 3 (Three) times during the financial year on 30th May 2019, 12th August 2019 and 7th February 2020.

The details of attendance of the Meetings of the Stakeholders' Relationship Committee are as follows:

Sl. No.	Name	No. of Meetings attended during the financial year
1.	Mr. S. Gopalakrishnan	3
2.	Mr. T.S. Sureshkumar (till 27th May, 2019)	-
3.	Mr. P.E. Krishnan	2
4.	Mrs. Preethi Javali (from 30th May, 2019 till 12th November, 2019)	-
5.	Mr. MVS Vasan (from 12th November, 2019)	1

The aforesaid Committee met continuously to address the various issues relating to the investors, including non-receipt of Annual Reports, Dividend related issues, Change of addresses, transfers of Shares, dematerialization and other related aspects. The Company has also continuously requisitioned the services of an Independent Practising Company Secretary to review the procedures followed by the Registrar of Share Transfer Agent.

No major grievance of any investor was pending as on 31st March, 2020.

Mrs. Nutan Soudagar, Company Secretary, is the Compliance Officer of the Company.

6. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE:

The Company has complied with the provisions of Section 135 of the Companies Act, 2013 and the Corporate Social Responsibility Committee has discharged its functions during the financial year under review.

The CSR Policy of the Company is disclosed on the website of the Company at http://cerebracomputers.com/reports-and-filings/#1507712636471-31397811-0284be2a-7469.

As on 31st March, 2020, the Corporate Social Responsibility Committee consists of the following Members:

a. Mr. V Ranganathan - Chairman
b. Mr. Shridhar S Hegde - Member
c. Mr. P Vishwamurthy - Member
d. Mr. P E Krishnan - Member

The Committee met 2 (two) times during the financial year on 30th May, 2019 and 7th February, 2020.

The Committee has formulated a CSR Policy detailing the activities to be undertaken by the Company with a broad objective to create a significant positive impact in the lives of a large number of people and society beyond its normal course of business operations.

7. INDEPENDENT DIRECTORS' MEETING:

During the financial year under review, the Independent Directors met on 7th February 2020, *inter-alia*, to discuss:

- Evaluation of the performance of the Non-Independent Directors and the Board as a whole
- Evaluation of the quality, quantity and timelines of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform its duties

All the Independent Directors viz., Mr. S. Gopalakrishnan, Mr. P.E. Krishnan and Mr. MVS Vasan were present at the Meeting.

The Company had also further during the financial year, conducted Familiarisation programme for Independent Directors of the Company and the details of such familiarisation programmes are disseminated on the website of the Company at http://cerebracomputers.com/reports-and-filings/#1507712636471-31397811-0284be2a-7469.

8. CRITERIA FOR MAKING PAYMENTS TO NON- EXECUTIVE DIRECTORS:

The Company has laid down the criteria for making payments to the Non-Executive Directors. The details of such criteria are available on the website of the Company at http://cerebracomputers.com/reports-and-filings/#1507712636471-31397811-0284be2a-7469.

9. PERFORMANCE EVALUATION:

Pursuant to the provisions of the Companies Act, 2013 and Listing Regulations, the Board has carried out the annual performance evaluation of its own performance and its Committee's and the Directors individually. A structured questionnaire was prepared covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance etc.,

The performance of the Board was evaluated by the Board after seeking inputs from all the directors on the basis of criteria such as the Board composition and structure, effectiveness of board processes, information and functioning, etc.

The performances of the Committees were evaluated by the Board after seeking inputs from the committee members on the basis of criteria such as the composition of Committees, effectiveness of Committee Meetings, etc.

The above criteria are broadly based on the Guidance Note on Board Evaluation issued by Securities and Exchange Board of India on January 5, 2017.

In a separate Meeting of Independent Directors, performance of Non-Independent Directors, the Board as a whole and the Chairman of the Company was evaluated, taking into account the views of Executive Directors and Non-Executive Directors.

The Board and the Nomination and Remuneration Committee reviewed the performance of individual directors on the basis of criteria such as the contribution of the individual Director to the Board and Committee Meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in Meetings, etc.

At the Board Meeting that followed the Meeting of the Independent Directors and Meeting of Nomination and Remuneration Committee, the performance of the Board, its Committees, and individual Directors was also discussed. Performance evaluation of Independent Directors was done by the entire Board, excluding the Independent Director being evaluated.

The Company had also further during the financial year, conducted Familiarization program for Independent Directors of the Company and the details of such familiarization programs are disseminated on the website of the Company at http://cerebracomputers.com/wpcontent/uploads/2020/03/Familiarisation_Program_ID.pdf.

10. SHARES HELD BY NON-EXECUTIVE DIRECTORS:

The Non-Executive Directors as on 31st March, 2020, who held Shares in the Company, are as under:

Sl. No.	Name of Directors	Number of Shares held
1.	Mr. S. Gopalakrishnan	Nil
2.	Mr. P. E. Krishnan	25,100
3.	Mr. MVS Vasan	Nil

11 COMPLIANCE OFFICER AND ADDRESS FOR CORRESPONDENCE:

Mrs. Nutan Soudagar
Company Secretary
Cerebra Integrated Technologies Limited
S5, Off 3rd Cross, Peenya Industrial Area
Peenya I Stage, Bangalore -560 058
Tel.: 080-22046969
Fax: 080-22046980
Email: nutan@cerebracomputers.com
Website: www.cerebracomputers.com

12. DETAILS OF ANNUAL GENERAL MEETING (AGM):

Year	Date	Time	Location
2016-17	21st August, 2017	10:30 AM	#S-5, Off 3rd Cross, 1st Stage, Peenya Industrial Area, Bengaluru- 560 058
2017-18	18th September, 2018	10:00 AM	#S-5, Off 3rd Cross, 1st Stage, Peenya Industrial Area, Bengaluru- 560 058
2018-19	25th September, 2019	10:00 AM	#S-5, Off 3rd Cross, 1st Stage, Peenya Industrial Area, Bengaluru- 560 058

Particulars of Special Resolutions passed in the last 3 (three) AGMs are given below:

21st August, 2017	1. Re-appointment of Mr. V Ranganathan as Managing Director and ratification of remuneration 2. Re-appointment of Mr. Shridhar S Hegde as Whole Time Director and ratification of remuneration 3. Re-appointment of Mr. P. Vishwamurthy as Whole Time Director and ratification of remuneration 4. Rectification of Special Resolution for further Issue of Equity Shares on preferential basis 5. Rectification of Special Resolution for Issue of Warrants to Promoters on preferential basis 6. Fees for delivery of any document through a particular mode of delivery to a member
18th September, 2018	1. Alteration of Articles of Association of the Company
25th September, 2019	1. Re-appointment of Mr. Pazayanur Eswaran Krishnan (holding DIN: 01897686), as an Independent Director 2. Increase in the Limit of Borrowing Powers 3. Powers to hypothecate etc 4. Approval of Reduction of Share Capital of the Company 5. Approval of Cerebra Integrated Technologies Limited Employee Stock Option Scheme, 2019

12. POSTAL BALLOT

During the financial year, the Company has passed the following Resolutions through Postal Ballot notice dated 14th February, 2020. The date of declaration of results was 20th March, 2020

Details of voting pattern:

1. To Increase in the Authorized Share Capital of the Company:

Particulars	No. of votes contained in						Percentage on Valid votes
	Remote E-voting		Polling Papers		Total		
	No of members voted	No. of Votes cast (Shares)	No. of members voted	No. of Votes cast (Shares)	No. of members voted	No. of Votes cast (Shares)	
Assent	42	23863588	9	29889	51	23893477	99.71
Dissent	2	69601	0	0	2	69601	0.29
Total	44	23933189	9	29889	53	23963078	100.00
Abstained/ Invalid	Nil	Nil	2	240310	2	240310	NA

2. To alter the Memorandum of Association of the Company:

Particulars	No. of votes contained in						Percentage on Valid votes
	Remote E-voting		Polling Papers		Total		
	No of members voted	No. of Votes cast (Shares)	No. of members voted	No. of Votes cast (Shares)	No. of members voted	No. of Votes cast (Shares)	
Assent	41	23863585	9	29889	50	23893474	99.71
Dissent	3	69604	0	0	3	69604	0.29
Total	44	23933189	9	29889	53	23963078	100.00
Abstained/ Invalid	Nil	Nil	2	240310	2	240310	NA

3. Issue of Warrants to Promoters on preferential basis:

Particulars	No. of votes contained in						Percentage on Valid votes
	Remote E-voting		Polling Papers		Total		
	No of members voted	No. of Votes cast (Shares)	No. of members voted	No. of Votes cast (Shares)	No. of members voted	No. of Votes cast (Shares)	
Assent	41	23863585	9	29889	50	23893474	99.71
Dissent	3	69604	0	0	3	69604	0.29
Total	44	23933189	9	29889	53	23963078	100.00
Abstained/ Invalid	Nil	Nil	2	240310	2	240310	NA

The Company has successfully completed the process of obtaining approval of its Shareholders for Resolutions on the items detailed above vide Postal Ballot.

Mr. Parameshwar G Bhat, a Practising Company Secretary, Bengaluru was appointed as the Scrutinizer for carrying out Postal Ballot Voting Process in a fair and transparent manner.

Procedure adopted for Postal Ballot:

In compliance with Sections 108 and 110 and other applicable provisions of the Companies Act, 2013, read with the related Rules, the Company has provided e-voting facility, in addition to physical ballot, to all its members.

For this purpose, the Company has engaged the services of KFIN Technologies Private Limited. Postal Ballot notices and forms were dispatched, along with postage prepaid Business Reply Envelopes to Registered Members / Beneficiaries as on the cut-off dates. The same notices were sent by email to Members who have opted to receive communication through the electronic mode.

Further, the Company has also published the notices in the newspaper declaring the details and requirements as mandated by the Act and applicable rules.

The Postal Ballot results were communicated to the Stock Exchanges in all cases and were hosted on the Company's Website.

Further, as on the date of this report, there is no proposal of passing any Resolution through Postal Ballot during the financial year 2020-21.

13. MEANS OF COMMUNICATION:

Quarterly/half yearly/annual financial results are forwarded to the Stock Exchanges, Published in Financial Express English and E-Sanje Kannada Newspapers. The Company's financial results and shareholding pattern are also displayed on the Company's website. The Company does not make any presentations to the Institutional investors or to the Analysts.

14. DISCLOSURES:

SUBSIDIARY COMPANIES:

The Company has following Subsidiaries:

a) Cerebra LPO India Limited

b) Cerebra Middle East FZCO, Dubai

The financials of the Subsidiary Companies have been duly reviewed by the Audit Committee and the Board of the Holding Company. The Board minutes of the Unlisted Subsidiary Companies have been placed before the Board of the Holding Company. The Holding Company's Board is also periodically informed about all significant transactions and arrangements entered into by the Subsidiary Companies. The Company has also formulated a Policy for determining the Material Subsidiary and the details of such policies as approved by the Board are disseminated in the

website of the Company at http://cerebracomputers.com/wp-content/uploads/2020/03/Policy-for-determining-Material-subsidiaries.pdf.

15. RELATED PARTY TRANSACTIONS:

There were no Related Party Transactions during the financial year.

16. CODE OF CONDUCT:

The Company has adopted Code of Conduct which has been implemented. The Code of Conduct is made applicable to the Directors and Senior Management Team. The Code of Conduct is available on the website of the Company at url: http://cerebracomputers.com/reports-and-filings/#1507712636471-31397811-0284be2a-7469.

Requisite annual affirmations of compliance with respective codes have been made by the Directors and Senior Management of the Company for the period 1st April 2019 to 31st March, 2020.

The Certificate by the CEO of the Company concerning compliance with the Code of Conduct for Directors and Senior Management is given below:

Code of Conduct for Directors and Senior Management
CEO Confirmation

I hereby confirm that:

The Company has obtained from the Directors and Senior Management personnel affirmation that they have complied with the above code for, and in respect of, the financial year ended 31st March, 2020.

Place: Bengaluru
Date: 27th July, 2020

Ranganathan
Managing Director
DIN: 01247305

17. REPORTING OF INTERNAL AUDITORS:

The Internal Auditors duly appointed, reports to the Audit Committee.

18. CEO AND CFO CERTIFICATION:

The Managing Director and the CFO of the Company have certified to the Board of Directors, interalia, the accuracy of financial statements and adequacy of Internal Controls for the financial reporting purpose as required under SEBI Regulations, for the period ended 31st March, 2020.

19. COMPLIANCES:

There have been no instances of non-compliance by the Company on any matters related to the capital markets, nor have any penalty/strictures been imposed on the Company by the Stock Exchanges or SEBI or any other Statutory Authority on such matters.

20. GENERAL SHAREHOLDERS' INFORMATION:

The following information would be useful to the Shareholders:

1. Annual General Meeting Date and Time: At 11.30 A.M., 28th September, 2020
2. Venue: Through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM")
3. Financial Year: 1st April, 2019 to 31st March, 2020
4. Book Closure Date: Monday, 28th September, 2020
5. Listing on Stock Exchange at:
    a. BSE Limited
    b. National Stock Exchange of India Limited (NSE)

21. DEPOSITORIES:

National Securities Depository Limited
Central Depository Services Limited
Stock Code: BSE- 532413
NSE- CEREBRAINT
Demat arrangement with NSDL and CDSL: INE345B01019

22. REGISTRARS AND SHARE TRANSFER AGENTS:

KFIN Technologies Private Limited
Selenium Tower B, Plot number 31 & 32
Financial District, Nanakramguda, Serilingampally Mandal
Hyderabad-500 032 India
Phone: 040 - 91 40-67161564 Fax 9140-23420814
Email: shobha.anand@kfintech.com

23. STOCK MARKET DATA:

BSE Limited
Scrip Code: 532413
Company: CEREBRA INT

(In Rupees)

Month	Open Price	High Price	Low Price	Close Price
Apr-19	27.42	28.06	26.84	27.49
May-19	25.94	26.54	25.24	25.92
Jun-19	24.06	24.88	23.28	24.16
Jul-19	23.50	24.06	22.97	23.55
Aug-19	23.36	24.24	22.48	23.58
Sep-19	24.39	24.85	23.78	24.21
Oct-19	21.74	22.01	21.02	21.48
Nov-19	23.10	23.85	22.29	23.18
Dec-19	23.83	24.19	23.42	23.82
Jan-20	26.04	26.41	25.63	26.05
Feb-20	38.57	39.10	37.40	38.42
Mar-20	25.59	26.54	25.16	25.49

National Stock Exchange of India Limited, (NSE)

CEREBRAINT

(In Rupees)

Month	Open Price	High Price	Low Price	Close Price
Apr-19	27.70	28.33	26.80	27.47
May-19	26.02	26.56	25.18	25.94
Jun-19	24.05	24.97	23.18	24.15
Jul-19	23.28	24.03	22.87	23.49
Aug-19	23.25	24.26	22.44	23.48
Sep-19	24.44	24.99	23.70	24.22
Oct-19	21.64	22.11	20.85	21.46
Nov-19	23.12	23.91	22.27	23.16
Dec-19	23.77	24.35	23.29	23.75
Jan-20	25.80	26.27	25.40	25.90
Feb-20	38.41	39.11	37.03	38.19
Mar-20	25.81	26.68	25.01	25.34

24. SHARE TRANSFER SYSTEM:

The Company in consultation with the RTA ensures that the transfers of Shares in physical form and dematerialization take place well within the time limits.

25. Distribution of Shareholding as at 31st March, 2020:

Category (Amount)	No. of cases	% of cases	Total Shares	Amount	% of Amount
0-5000	8952	70.21	1490245	14902450.00	1.23
5001 - 10000	1326	10.40	1143292	11432920.00	0.94
10001 - 20000	760	5.96	1241552	12415520.00	1.02
20001 - 30000	358	2.81	937433	9374330.00	0.77
30001 - 40000	181	1.42	654170	6541700.00	0.54
40001 - 50000	222	1.74	1063683	10636830.00	0.88
50001 - 100000	367	2.88	2940144	29401440.00	2.43
100001 & Above	584	4.58	111715963	1117159630.00	92.19
TOTAL	**12750**	**100**	**121186482**	**1211864820.00**	**100**

Categories of Shareholding as at 31st March, 2020:

Category	No. of Shares held	% of holding
Promoters Holding:		
I. Indian Promoters	8603219	7.10
ii. Foreign Promoters		
Sub Total	**8603219**	**7.10**
Non-Promoters Holding:		
i. Mutual Fund and UTI		
Foreign Portfolio Investors	10122037	8.35
ii. Banks, Financial		
Institutions and Insurance companies	230	0.00
a. Indian	16915864	13.96
b. Foreign	11900000	9.82
iv. Indian Public	59906834	49.43
v. NRIs/OCBs	3510180	2.90
vi Foreign Collaborators	9200000	7.59
Clearing Members	992198	0.82
NBFCs Registered with RBI	35920	0.03
Sub Total	**112583263**	**92.90**
Grand Total	**121186482**	100

Dematerialization of Shares and liquidity as at 31st March, 2020:

Control Report as on 31st March, 2020

Description	No. of Shareholders	Shares	% To Equity
PHYSICAL	1413	7164814	5.91
NSDL	6244	78327923	64.63
CDSL	5093	35693745	29.45
Total:	**12750**	**121186482**	**100**

Comparative position as on 31st March, 2020:

Description	No. of Shareholders	Shares	% to Equity
PHYSICAL	1413	7164814	5.91
ELECTRONIC FORM	11337	114021668	94.09
Total:	**12750**	**121186482**	**100**

26. Number of days taken for dematerialization:

Fifteen (15) days from the date of Physical documents received.

Dematerialization request from 1st April, 2019 to 31st March, 2020:

Sl. No	Depositories	No. of Cases	No. of Shares	% of Shares
1.	NSDL	23	3810	0.003%
2.	CDSL	10	801400	0.661%

27. Management Discussion and Analysis:

The Management Discussion and Analysis is attached to the Board's Report and is a part of this Annual Report.

28. Details of compliance with mandatory requirements:

The Company has complied with all the mandatory requirements specified in Regulations 17 to 27 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended from time to time).

This Corporate Governance Report of the Company for the financial year 2019-20 is in compliance with the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

29. Details of non-compliance by the Company, penalties, and strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years:

The Company has complied with the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as well as Regulations and Guidelines of SEBI and other Statutory Authorities on all matters relating to the Capital Markets. The Company has not paid any fines during the last three financial years except in one instance as mentioned below:

During the financial year 2018-19, the composition of the Board of Directors of the Company for the quarter ended 31st December, 2018 was not pursuant to Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 which was later rectified and paid the penalty to both BSE Limited and National Stock Exchanges of India Limited.

30. Secretarial Compliance Certificate:

Pursuant to the provisions of SEBI (LODR) (Amendment) Regulations, 2018, the Company has obtained annual 'Secretarial Compliance Certificate' for the financial year 2019-20 in the prescribed format from a Practising Company Secretary and filed the same with the Stock Exchanges in the prescribed time limit.

31. OTHER DISCLOSURES:

(I) Materially Significant Related Party Transactions

There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

(ii) Vigil Mechanism

The Company has a Vigil Mechanism for Directors and Employees to report their concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct. The mechanism provides for adequate safeguards for victimization of Director(s) / Employee(s) who

avail of the mechanism. In exceptional cases, Directors and Employees have direct access to the Chairman of the Audit Committee. No personnel of the Company have been denied access to the Chairman of the Audit Committee, for making complaint on any integrity issue. The Whistle Blowing Policy is available on the Company's website at http://cerebracomputers.com/wp-content/uploads/2020/03/Policy-Whistle-Blower-and-Vigil-Mechanism.pdf.

(iii) Details in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

a. Number of complaints filed during the financial year: 0

b. Number of complaints disposed of during the financial year: 0

c. Number of complaints pending as on end of the financial year:0

32. Adoption of the Non-Mandatory Requirements:

a. Nomination and Remuneration Committee has duly been constituted.

b. The Company consistently trains its Board Members, on an on-going basis, in the business model of the Company as well as the risk profile of the business parameters of the Company, their responsibilities as Directors, and the best ways to discharge them.

c. The Company has a procedure of bringing to the notice of management, any matter/s regarding concerns about unethical behaviour, actual or suspected fraud or violation of Company's code of conduct or ethics policy.

d. Independent Directors of the Company have the option and freedom to meet Company Management regularly. They are provided with all information sought by them to perform their duty effectively and efficiently.

e. Audit Committee has duly been constituted, and its scope and functions has already been detailed elsewhere in this report.

f. Matters referred to Audit Committee, as detailed elsewhere in the report include, *inter-alia*, recommendation to Board, on appointment of Statutory, Internal and Cost Auditor/s.

g. Reconciliation of Share Capital Audit Report is conducted every financial quarter and placed before the Audit Committee and the Board for review.

h. The Company has complied with all the mandatory requirements of the Listing Regulations. The Company has also fulfilled the following discretionary requirements:

a. The positions of Chairman and Managing Director are separate.

b. The Internal Auditors reports directly to the Audit Committee.

i. Code of Conduct – The Company has adopted a Code of Conduct for its employees including the Managing Director. In addition, the Company has adopted a Code of Conduct for its Board Members. Both these Codes are available on the Company's website. All the Members of the Board and Senior Management Personnel of the Company have affirmed compliance with the Code applicable to them, for the financial year ended 31st March, 2020. A declaration to this effect, duly signed by the Managing Director is covered under this Report.

j. The Company follows Accounting Standards specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 / the Companies Act, 1956. The Company has not adopted a treatment different from that prescribed in any Accounting Standard.

k. Commodity Price Risk and Commodity hedging activities: The Company is not exposed to material foreign exchange risk on account of import and export transactions entered, as import of goods is happening in Indian Rupees. Also, it is not a sizable user of various commodities, hence not exposed to the price risk on account of procurement of commodities.

33. Details of fees paid by the Company and its Subsidiaries, on a consolidated basis, to the Statutory Auditor and all entities in the network firm/network entity of which the Statutory Auditor is a part as per Clause 10 (k), Part C of Schedule V of SEBI (LODR) Regulations, 2015:

The Company has paid Rs. 10,75,000/- to the Statutory Auditors in the financial year 2019-20 for all the services rendered by them to the Company and its Subsidiaries.

34. Certification on Corporate Governance:

Compliance Certificate from a Practicing Company Secretary regarding compliance of conditions of corporate governance is attached to the Board's Report and is a part of this Annual Report.

35. Plant Locations:

1. S5, Off 3rd Cross, Peenya Industrial Area
   Peenya I Stage, Bengaluru-560 058
   Karnataka, India
   Phone: 080-22046969

2. Plot No. 41 to 46
   KIADB, Narasapura Industrial Area
   Appasandra Village,NarasapuraHobli
   Kolar Disctrict-563 133
   Karnataka, India
   Phone: 08152-297039

36. Address for correspondence:

Cerebra Integrated Technologies Limited
S5, Off 3rdCross, Peenya Industrial Area
Peenya I Stage, Bengaluru -560 058
Tel.: 080-22046969
Fax: 080-22046980
Email: investors@cerebracomputers.com
Website: www.cerebracomputers.com

For and on behalf of Cerebra Integrated Technologies Limited

Date: 27th July, 2020
Place: Bangalore

Ranganathan
Managing Director
DIN: 01247305
Address: Brindavan 90, 3rd Cross,
Sri Venkateshwara Krupa Layout
West of Chord Road, Bangalore-560 079

P Vishwamurthy
Whole Time Director
DIN: 01247336
Address:No.: 22 A, 'VANASUMA'
3rd Stage, 4th Block,
Basveshwaranagar
Bangalore-560 079

CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE AS REQUIRED UNDER SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

To
The Members
Cerebra Integrated Technologies Limited
Bangalore

I have examined all the relevant records of Cerebra Integrated Technologies Limited ('the Company') for the purpose of certifying the compliances of the conditions of Corporate Governance by the Company for the financial year ended 31st March, 2020 as stipulated under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations').

The compliance of the conditions of Corporate Governance is the responsibility of the Management. My examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of my information and explanations given to me, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations.

I further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

Place: Bangalore
Date: 27th July, 2020

Vijayakrishna K T
Practising Company Secretary
FCS: 1788 CP.: 980
UDIN: F001788B000507018

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To
The Members
Cerebra Integrated Technologies Limited
5, Off 3rd Cross, Peenya Indl. Area
Peenya I Stage Bangalore -560058

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Cerebra Integrated Technologies Limited having CIN: L85110KA1993PLC015091 and having its Registered Office at (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34 (3) read with Schedule V Para-C Sub clause 10 (i) of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations,2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company and its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended 31st March, 2020 has been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, the Ministry of Corporate Affairs, or any such other Statutory Authority:

Sl. No.	Name of Director	DIN	Date of appointment in Company
1	Mr. Ranganathan Venkatraman	01247305	01/01/2009
2	Mr. Vishwamurthy Phalanetra	01247336	18/07/1996
3	Mr. Shridhar Shankar Hegde	01247342	18/07/1996
4	Mr. Pazayanur Eswaran Krishnan	01897686	02/12/1996
5	Mr. Gopala Krishnan Seshadril	01898255	24/09/1997
6	Ms. Preethi Javali	07157145	31/03/2015
7	Mr. Riyaz Suterwalla	07866056	14/09/2017
8	Mr. Mandya Venkatachar Seshadri Vasan	01088868	12/08/2019

Ensuring the eligibility of for the appointment/continuity of every Director on the Board is the responsibility of the Management of the Company. My responsibility is to express an opinion on these based on my verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

Place: Bangalore
Date: 27th July, 2020

Vijayakrishna K T
FCS :1788 C P: 980
UDIN: F001788B000506963

Annexure-VI

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES:
(Pursuant to Section 135 of the Companies Act, 2013)

1. Applicability of the Companies Act, 2013

Pursuant to Section 135 of the Companies Act, 2013 and the Rules made thereunder, your Company has constituted a Corporate Social Responsibility (CSR) Committee to effectively monitor CSR activities of the Company. Further, the Companies (Corporate Social Responsibility Policy) Rules, 2014 lays down the framework and approach for carrying out CSR activities which are specified in Schedule VII of the Act.

2. Composition of the CSR Committee: (as on 31st March, 2020)

a. Mr. V Ranganathan - Chairman
b. Mr. Shridhar S Hegde - Member
c. Mr. P Vishwamurthy - Member
d. Mr. P E Krishnan - Member

3. Average Net Profit of the Company for last three financial years - Rs. 21,57,46,000/- (Rupees Twenty One Crores Fifty Seven Lakhs Forty Six Thousand only)

4. Prescribed CSR Expenditure (Two per cent of the amount mentioned as in item 3 above) –Rs. 43,14,927/- (Rupees Forty Three Lakhs Fourteen Thousand Nine Hundred and Twenty Seven only).

5. Details of CSR spent during the financial year:

(a) Total amount spent for the financial year: Rs. 10,32,710/-
(b) Amount unspent: Rs. 32,82,217/-
(c) Manner in which the amount spent during the financial year is detailed below:

CSR project / activity identified	Sector in which the Project is covered	Projects / Programs 1) Local area or other 2) specify the State and district where projects or Programs was undertaken	Amount outlay (budget) project / program wise	Amount spent on the project / programs Sub-heads: 1) Direct expenditure on projects or programs 2) Overheads	Cumulative spend upto the reporting period	Amount spent (Direct implementing agency)
PM-CARES Fund	Used for critical activities pertaining to COVID-19 such as testing, setting up of isolation wards, procurement of personal protective gear, ventilators etc.	All over India	Rs. 500,000/-	Rs. 500,000/-	Rs. 500,000/-	Direct
Vijayanagara Kodava Sangha	Coorg Flood Relief	Karnataka	Rs. 20,000/-	Rs. 20,000/-	Rs. 20,000/-	Direct
National Kannada Education Society	Education	Maharashtra	Rs. 5,12,710/-	Rs. 5,12,710/-	Rs. 5,12,710/-	Direct

6. In case the Company has failed to spend the two per cent of the average net profit of the last 3 financial years or any part thereof, reasons for not spending the amount in its Board Report:

The Company considers social responsibility as an integral part of its business activities and endeavors to utilize allocable CSR budget for the benefit of society. However, during the financial year under review, the Company's spend on the CSR activities havebeen less than the limits prescribed under the Companies Act, 2013 due to unavoidable circumstances.

The Company has been working on various projects involving activities as are included in the CSR Policy adopted by the Company covering health facilities.Certain initiatives already undertaken, could not be implemented.The CSR activities are scalable with more initiatives that may be considered in future and moving forward, the Company will endeavor to spend the unspent CSR amount on CSR activities/projects in accordance with the statutory requirements.

The steps taken by the Company in the financial year which include initiation of the planned projects, contacts with identified beneficiaries as well as dedicating administrative resources, in continuation of the CSR Policy formulated and recommended by its CSR Committee as well as plans implemented in the previous two financial years should help us see the company completing its required spends going forward and fully meeting the company's CSR obligations in a manner consistent with our CSR Policy and governance requirements.

7. Responsibility statement of the CSR Committee:

CSR Committee confirmed that the implementation and monitoring of CSR Policy is in compliance with CSR objectives and Policy of the Company.

For and on behalf of Cerebra Integrated Technologies Limited

Date: 27th July, 2020
Place: Bangalore

Ranganathan
Managing Director
DIN: 01247305
Address: Brindavan 90, 3rd Cross,
Sri Venkateshwara Krupa Layout
West of Chord Road,
Bangalore-560 079

P Vishwamurthy
Whole Time Director
DIN: 01247336
Address:No.: 22 A, 'VANASUMA'
3rd Stage, 4th Block,
Basveshwaranagar
Bangalore-560 079

Annexure VII

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

a) INDUSTRY STRUCTURE AND DEVELOPMENT:

Your Company continues to be the market leader in E-Waste Recycling Management business. While the current COVID-19 outbreak is a major dampener for growth in business, your Company is looking at garnering a much better position compared to its peers due to its diverse businesses. Continued efforts to find new markets and customers and focused attention on cost optimization, will help Company recover quickly from the significant damage created by the pandemic.

b) OPPORTUNITIES AND THREATS:

OPPORTUNITIES:

- Cerebra being very strong in corporate collections of E waste is looking at increasing its collections this year and the WFH might mean big opportunity since the work computers,laptops, telecom equipment etc., will come as E waste since companies are looking at reducing their work space.
- Significant potential for additional business from customers who are looking at WFH (work from home) as an option.
- Refurbished business will grow to sustain costs.
- Good potential to grow in the domestic business and in the aftermarket.

THREATS:

- COVID-19 is a major threat which has led to economic slowdown and recession.
- COVID-19 is a continuing threat with no vaccine found leading to significant uncertainties in the market.
- Labour shortages.

c) SEGMENT WISE OR PRODUCT WISE PERFORMANCE

As on 31st March 2020, the Company was engaged in E-Waste Recycling Management and refurbishment of computer products and accessories predominantly. The Company has its major business coming in from E-Waste Recycling Management and will be focussing on the same during the current financial year too. The internal reporting and performance of the Group is assessed by the Managing Director as E-Waste Recycling Management segment. However, for the purpose of explaining the performance of the Company to investors, the management provides further break down at product and service level.

d) OUTLOOK:

Indian economy is expected to shrink in the current financial year. Global economy is also expected to shrink. This could lead to a reduction in purchase from your company's customers, leading to reduced sales and challenging financial performance. However, every effort is made to continue to focus on customer service, operational efficiencies and cost optimization, so that the impact for the Company is minimal for the current year. However, the medium-term outlook remains positive, post COVID-19.

e) RISKS AND CONCERNS:

The major concern for the current year is COVID-19 pandemic, leading to economic disruption and uncertainty of the future. Business outlook from the customer is not clear and hence it is difficult to estimate the overall risks and concerns at this moment.

The Company's risk management strategy encompasses in-depth identification, assessment and prioritization of risk followed by speedy mobilization of resources to minimize, monitor and control the losses of unfortunate events.

f) INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY:

The Company has an adequate system of internal controls commensurate with its size to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition. All the transactions are authorized, recorded and reported correctly.

The Company's internal control systems are further supplemented by an extensive programme of internal audit by a firm of Chartered Accountants and periodic review by the Management. The Internal Control system is designed to ensure that all financial and other records are reliable for preparing Financial Statements and for maintaining accountability of assets.

g) MATERIAL DEVELOPMENTS IN HUMAN RESOURCES & INDUSTRIAL RELATIONS FRONT INCLUDING NUMBER OF PEOPLE EMPLOYED:

Employees continue to be the key for the continued success of Organization. Industrial relations have been generally harmonious in all units. Sound human resource development policies of the Company ensure that each employee grows as an individual and contributes to the performance and growth of the Company. Regular in-house training programs for employees at all levels help in this objective. While getting skilled manpower at some levels in the operations continues to be a challenge, employee turnover remained low during the year. The Company has satisfactory human resource department in place to address HR challenges of the Company.

COVID-19

Cerebra wishes all its employees, shareholders to stay safe during this COVID-19 and also thanks all the doctors, essential services staff and other COVID Warriors for their continuous support who have helped India fight the virus.

During this period, Cerebra as all other industries has felt its repercussions in the ongoing battle for the containment of Corona virus and has taken a hit right from its March sales very badly as most of the large orders are stalled and were never out for procurement and execution. And the repercussions of this will follow on to the next year being the Cerebra's new financial year 2020-21 with the lockdown period being extended over and over again. Cerebra has already taken some measures and is now focusing to ensuring that the company is safe and focused on business for this year and will take up aggressive steps in 21-22 to remain as the market leader in this segment.

E-WASTE RECYCLING BUSINESS:

This was the performer of the year with a growth as planned and still will be the mainstay of Cerebra's Lines of Business and has truly evolved as the most important business line. Cerebra continue to add on clients for PRO (Producer Responsibility Organisation) business for which a license from Central Pollution Control Board (CPCB) was acquired last year. The capacity of 2076 MT for PRO was increased to 20000 MT and Cerebra thanks the PCB authorities for considering the same and also that the Company has utilised the full capacity by continuing to retain two of the world's largest consumer electronics manufacturers, Samsung India Electronics Limited (SIEL) as its first EPR (Extended Producer Responsibility) client and the second one being LG Electronics. For both of these clients, Cerebra have been collecting TVs, Refrigerators, Air Conditioners and Washing Machines and recycling them at the plant in Narasapura, Kolar District, near Bengaluru.

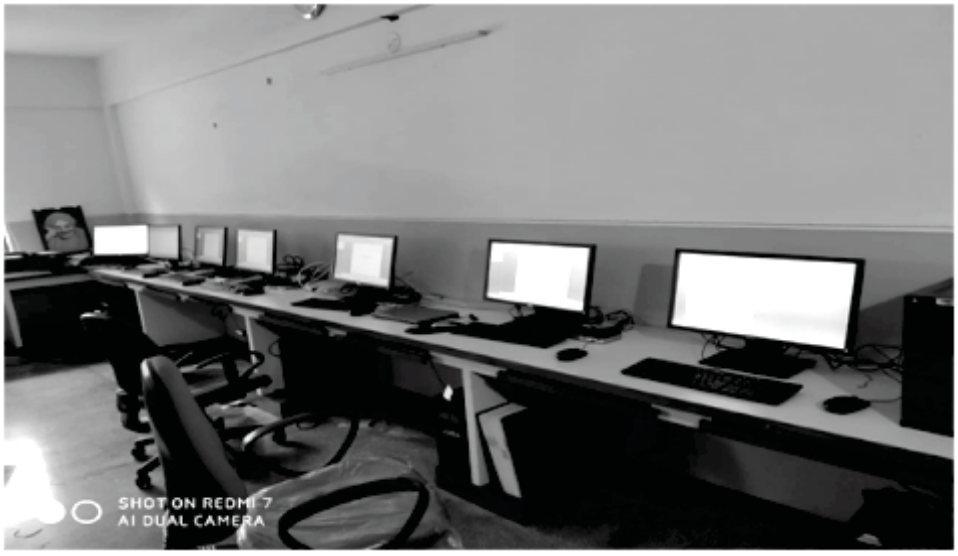
With this, the Company as an environment friendly Company, who have been marching towards green growth are proud to inform that Cerebra has brought down the amount of E-Waste ending up in landfills by more than 20,000 Metric Tonnes.

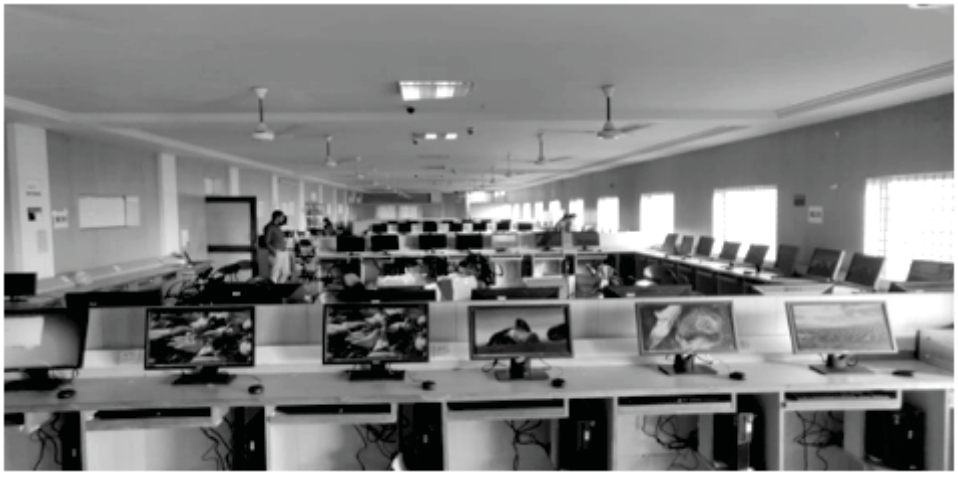
The plant is fully functional and is recycling e-waste and also producing refurbished products such as Desktops, Laptops and Servers including its peripherals/accessories such as Mouse, Printers etc. Cerebra has collected WEEE (Waste Electrical & Electronic Equipment's) for large and medium manufacturers of IT Products, White Goods manufacturer's such as TV, Fridge and Washing Machines and other electrical and electronic products through its Corporate collection channel.

Cerebra has increased its channel partners to 33 with all of them having a Cerebra Experience Centre in major cities of India. Cerebra has been increasing its Cerebra Experience Centre's (CEC) [Stores] wherein a customer can walk-in and pickup refurbished products such as Desktops, Laptops, Network Accessories, Peripherals and Printers at competitive prices even in remote places of India.

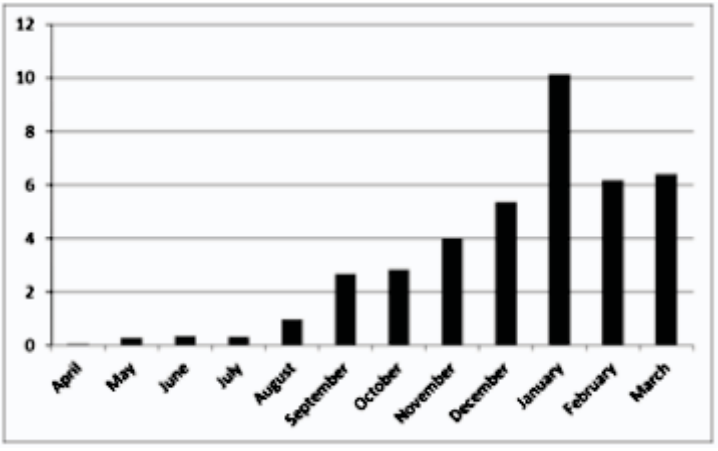
Cerebra has completed its unique software S.P.O.C.K (System Protocol of Cerebra Knowledge) to track its collections, sales and channel management wherein all Waste Electrical & Electronic Equipment's (WEEE) collected from either Individual, Retailers or Corporate will be tracked until it reaches the Recycling Facility located at KIADB Narasapura Industrial Area, Kolar District. The complete billing for purchase of the above products through these Cerebra Experience Centre's (CEC) [Stores] are done by S.P.O.C.K. The software also tracks Cerebra's EPR collections and efforts are on to include downstream recycling in to the system.

Benefits to Schools -





Re-commerce Cerebra Experience Center's Business growth



Cerebra has successfully completed its EPR commitment of 19,500,000 KGs by collection of Waste Electrical & Electronic Equipment's (WEEE) i.e. TVs, Refrigerators Washing machines and Air Conditioners for its EPR clients Samsung India Electronics Limited (SIEL) and LG Electronics through its own network of employees, channel partners and aggregators.

Cerebra once again wishes to appreciate and take on record the strategies and efforts instilled by Mr. Ravi Neeladri – CEO (Recycling & Refurbishment), Mr. Hariprasad Shetty - Chief Business Officer and Mr. Rakesh J Rasalam - General Manager in completion of targets which include building the team, developing channel partners and concluding agreements with aggregators, downstream vendors to fulfill EPR commitment of 19,500,000 Kgs.

The company plans to set up its Gold refining plant this year. The company is also looking at expanding its recycling facilities by setting up two more plants in the west and the northern part of India.

Recruitment:

The division has been recruiting continuously at all levels and new recruits inducted at both senior levels and managers; General Manager – Mrs. Kala Bose has been inducted in to the team to strengthen Human Resources team.

Cerebra now has Zonal Managers, Regional Managers, Managers, who take care of collections and sales executives for procurement of EPR products and also sales of refurbished products pushing the channel sales through these executives.

Currently has offices at Chennai, Hyderabad, Bengaluru, Noida and Mumbai and has 32 Cerebra Experience Centre's (CEC) stores all across the country.

Enterprise Solutions Division

Cerebra has since many years and continues implementing various IT based projects for many start-ups, Government agencies, departments & institutions and established companies. The Company studies the customers IT requirements, identifies pain points and accordingly designs and plans their IT Hardware and Software infrastructure which includes security, networking, servers, storage, endpoints, operating systems, application software and ensures successful implementation for optimal performance

Cerebra works closely with leading technology vendors such as Dell EMC, HPI, HPE, Fujitsu, Intel, Hitachi, Fortinet, Checkpoint, Extreme Networks, Lenovo, Acer, TVSE, Brother, Samsung, Xerox, Radware, Huawei, VMware, RHEL, Microsoft etc to name a few.

Cerebra can design, supply, implement and maintain IT infrastructure for SMEs as well as large enterprises successfully. Cerebra can help clients with strategizing their IT hardware and software requirements with its technical competencies and strategic tie-ups as well as sourcing abilities.

Cerebra ESD's continued focus on education, research labs, airports, defence, PSUs, PSBs, etc has been fruitful and lead the Company successfully executing orders from PSU, ISRO, defence labs, various departments under Government of Karnataka, police, judiciary, NIMHANS, private education institutions to name a few.

Cerebra has recently completed execution of a few prestigious projects related to modernisation and augmentation of IT infrastructure in police, courts, education and treasury departments across the state. In addition, the ongoing project of Automated Driving Test System to fully automate the process of testing and issuance of driving license by the Department of Transport and Road Safety, Government of Karnataka has been implemented across 6 RTOs. Cerebra will continue to operate and maintain the same for a period of 5 (Five) years at six RTOs in Karnataka and the same has been extended to two new tracks.

With an added focus on services business such as AMC, FMS, Implementation and other value-added services, Cerebra has added many prestigious customers.

CEREBRA MIDDLE EAST FZCO:

The Middle East region has been on an Economic downturn amidst a global slowdown since 2017. “Growth prospects for the Middle East and North Africa are still deteriorating on the back of elevated geopolitical risks, weak global demand and severe oil production cuts.”

CME is currently hit by the pandemic since January 2020 and is currently focussing only on services and not on products. It has since stopped VAD business since November 2019.

For and on behalf of Cerebra Integrated Technologies Limited

Date: 27th July, 2020

Place: Bangalore

Ranganathan
Managing Director
DIN: 01247305
Address: Brindavan 90, 3rd Cross,
Sri Venkateshwara Krupa Layout
West of Chord Road, Bangalore-560 079

P Vishwamurthy
Whole Time Director
DIN: 01247336
Address:No.: 22 A, ‘VANASUMA’
3rd Stage, 4th Block,
Basveshwaranagar
Bangalore-560 079

Annexure VIII

BUSINESS RESPONSIBILITY REPORT

[Regulation 34(2)(f)] of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1. Corporate Identity Number (CIN) of the Company: **L85110KA1993PLC015091**
2. Name of the Company: **Cerebra Integrated Technologies Limited**
3. Registered address: **S5, Off 3rd Cross, Peenya Industrial Area, Peenya I Stage, Bangalore-560 058**
4. Website: www.cerebracomputers.com
5. E-mail id: **investors@cerebracomputers.com**
6. Financial Year reported: **2019-20**
7. Sector(s) that the Company is engaged in (industrial activity code-wise):

Sl. No.	NIC Code	Particulars
1	46511/12	Hardware including trading of Refurbished computer accessories
2	38300	E-waste Recycling
3	26104	Electronic Manufacturing Services
4	62020	Computer consultancy and computer facilities management activities

8. List three key products/services that the Company manufactures/provides (as in Balance Sheet): **Assembling and Trading of Computer Systems and Peripherals and business of providing IT Services and e-Waste Management.**
9. Total number of locations where business activity is undertaken by the Company:
   a. Number of International Locations (Provide details of major 5): **Nil**
   b. Number of National Locations: 1 **Plant and 1 Facility; Franchise model Stores across India**
10. Markets served by the Company – **Local, State, National and International**

SECTION B: FINANCIAL DETAILS OF THE COMPANY (as at 31st March, 2020)

1. Paid up Capital (INR): **Rs. 1,21,19,66,320/-**
2. Total Turnover (INR): **Rs. 99,85,93,000/-**
3. Total profit after taxes (INR): **Rs. 6,52,64,000/-**
4. Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%): 1.58%

During the financial year 2019-20, Rs. 43,14,927/- (Rupees Forty Three Lakhs Fourteen Thousand Nine Hundred Twenty Seven only). had to be spent towards Corporate Social Responsibility activities as specified in Schedule VII of the Companies Act, 2013.

However, the Company has spent amount of Rs. 10,32,710/- only (Rupees Ten Lakhs Thirty two thousand Seven hundred and Ten only) before the 31st March, 2020 and unspent amount is Rs. 32,82,217/- (Rupees Thirty Two Lakhs Eighty Two Thousand Two Hundred and Seventeen only).

The details of Expenditures on CSR activities are attached as Annexure VI to this Report.

5. List of activities in which expenditure in 4 above has been incurred:
   a. PM-CARES Fund - Used for critical activities pertaining to COVID-19 such as testing, setting up of isolation wards, procurement of personal protective gear, ventilators etc.
   b. Vijayanagara Kodava Sangha - Coorg Flood Relief Fund.
   c. The NKE Society - used for educational purpose.

SECTION C: OTHER DETAILS

1. Does the Company have any Subsidiary Company/ Companies?: Yes
2. Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent Company? If yes, then indicate the number of such Subsidiary Company(s): **Yes. 2**
3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with; participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]:

   The Company collaborates with all relevant stakeholders by sharing its Ethical Business Practices, Code of Conduct, Anti-Bribery Policy and Supplier Code of Conduct with its contract manufacturers, suppliers and other major third parties associated with the Company.

SECTION D: BR INFORMATION

1. Details of Director/Directors responsible for BR

a. Details of the Directors/Directors responsible for implementation of the BR Policy/Policies:

i. DIN Number: **01247305**

ii. Name: **Mr.V Ranganathan**

iii. Designation: **Managing Director**

b. Details of the BR head:

Sl. No.	Particulars	Details
1.	DIN Number	01247305
2.	Name	Mr. V Ranganathan
3.	Designation	Managing Director
4.	Telephone Number	080- 22046969
5.	E-mail	ranga@cerebracomputers.com

2. Principle-wise (as per NVGs) BR Policy/ Policies (Reply in Y/N) Principle:

The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs) released by the Ministry of Corporate Affairs has adopted nine (9) areas of Business Responsibility as under:

Principle 1: Ethics, Transparency and Accountability [P1]

Principle 2: Product Lifecycle Sustainability [P2]

Principle 3: Employees Well being [P3]

Principle 4: Stakeholder Engagement [P4]

Principle 5: Human Rights [P5]

Principle 6: Preservation of Environment [P6]

Principle 7: Responsible Advocacy [P7]

Principle 8: Inclusive Growth & Equitable Development [P8]

Principle 9: Customer Value [P9]

Sl. No	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a Policy/ Policies for	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the Policy being formulated in consultation with the relevant Stakeholders?	The Company has formulated the Policies and adopted the same in consultation with the relevant Stakeholders								
3	Does the Policy confirm to any national/ international standards? If yes, specify?	Yes. The Policy/ Practice confirms to the National Voluntary Guidelines (NVGs) issued by the Ministry of Corporate Affairs, Government of India, July 2011 and the Policies are compliant with the applicable laws as mapped against the principles mentioned in NVGs.								
4	Has the Policy being approved by the Board? Is yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Yes. The Policies have been approved by the Board and signed by the Managing Director.								
5	Does the Company have a specified committee of the Board/Director/ Official to oversee the implementation of the Policy?	Yes. The Company's officials/ respective departments are authorized to oversee the implementation of the Policies.								
6	Indicate the link for the Policy to be viewed online?	http://cerebracomputers.com/wp-content/uploads/2020/08/Business-Responsibilty-Policy.pdf								
7	Has the Policy been formally communicated to all relevant Internal and External Stakeholders?	Yes. Internal Stakeholders are made aware of the Policies. External Stakeholders are communicated to the extent possible.								
8	Does the Company have in-house structure to implement the Policy/ Policies.	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the Policy/ Policies to address Stakeholders' grievances related to the Policy/ Policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the company carried out independent audit/ evaluation of the working of this Policy by an Internal or External Agency?	N	N	N	N	N	N	N	N	N

(b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options) – **NOT APPLICABLESI.**

Sl. No	Questions	P 1	P 2	P 3	P 4	P 5	P 5	P 6	P 7	P 8
1	The company has not understood the Principles	Not applicable								
2	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3	The company does not have financial or manpower resources available for the task									
4	It is planned to be done within next 6 months									
5	It is planned to be done within the next 1 year									
6	Any other reason (please specify)									

3. Governance related to BR

a)	Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year	The Executive Directors of the Company periodically assess the BR Performance of the Company.
b)	Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?	The Company has published its first Business Responsibility Report for FY19-20. The same can be accessed on the website of the Company at www.cerebracomputers.com.

SECTION E: PRINCIPLE-WISE PERFORMANCE:

Principle 1: Ethics, Transparency and Accountability

1. Does the Policy relating to ethics, bribery and corruption cover only the Company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs /Others?

   Yes. The Policy is applicable to the individuals working in the Company and its Subsidiaries.

2. How many Stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

   No such complaints received during the financial year. Hence not applicable.

Principle 2: Product Lifecycle Sustainability

1. List up to 3 of your products whose design has incorporated social or environmental concerns, risks and/or opportunities. – **NA**
2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional): **NA**
3. Does the Company have procedures in place for sustainable sourcing (including transportation)? – **NA**
4. Has the Company taken any steps to procure goods and services from local and small producers, including communities surrounding their place of work? – **Yes.**

   a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

   Yes. Working closely with the local and small vendors across all locations to encourage them.

5. Does the Company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so: Not applicable.

Principle 3: Employees Wellbeing

1. Please indicate the Total number of employees. – **184 Employees as on 31st March, 2020**
2. Please indicate the Total number of employees hired on temporary/contractual/casual basis: **Nil**

   The Company hires contractual / casual labours, the Number of such casual/contractual labours varies from 10 and reaches to a peak of 100 plus during the current year.

3. Please indicate the Number of permanent women employees – **30 Employees as on 31st March, 2020**
4. Please indicate the Number of permanent employees with disabilities – **Nil**
5. Do you have an employee association that is recognized by management – **No; The Company does not have union for the employees.**
6. What percentage of your permanent employees is Members of this recognized Employee Association? – **NA**
7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

Sl. No.	Category	No. of complaints filed during the financial year	No. of complaints pending as on end of the financial year
1	Child labour/forced labour/involuntary labour	NIL	NA
2	Sexual harassment		
3	Discriminatory employment		

8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?
   a) Permanent Employees – **100%**
   b) Permanent Women Employees – **100%**
   c) Casual/Temporary/Contractual Employees – **Nil**
   d) Employees with Disabilities - **Nil**

Principle 4: Stakeholder Engagement

1. Has the Company mapped its Internal and External Stakeholders? - **Yes**
2. Out of the above, has the Company identified the disadvantaged, vulnerable and marginalized Stakeholders:

   All Stakeholders are equally significant and no one is considered as disadvantaged, vulnerable and marginalized.
3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized Stakeholders? If so, provide details thereof, in about 50 words or so. - **NA**

Principle 5: Human Rights

1. Does the Policy of the Company on human rights cover only the Company or extend to the Group/JointVentures/Suppliers/Contractors/ NGOs/Others? – **Yes; the Policy is extended to the Group and is expected to be adhered by other stakeholders including Customers and Vendors.**
2. How many Stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management? – **NIL**

Principle 6: Preservation of Environment

1. Does the Policy related to Principle 6 cover only the Company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others – **It extends to the Group and has to be adhered by all other stakeholders who do business with the Company.**
2. Does the Company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc. – **NA**
3. Does the Company identify and assess potential environmental risks? Y/N – Not applicable
4. Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if yes, whether any environmental compliance report is filed? – **No such mechanism. Hence not applicable.**
5. Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc. –

   We are a recycling company and every effort is towards clean technology. We collect, dismantle, salvage and recycle all WEEE (Waste Electrical and Electronic Equipment) post EOL (end-of-life) to see that there is near zero landfill by segregating, plastics, ferrous& non-ferrous metals, other PGM metals, etc. The remaining is provided to TSDF facilities with whom we have agreements.
6. Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported? –

   Yes. The Emissions/Waste generated by the company is within the permissible limits.
7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year. –

The Company has not received any show cause notice as at 31st March, 2020. Therefore, not applicable.

Principle 7: Responsible Advocacy

1. Is your Company a Member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:

   Yes; the Company is a Member of below mentioned associations:

   a) Manufacturers Association for Information Technology
2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others) - **Not applicable.**

Principle 8: Inclusive Growth & Equitable Development

1. Does the Company have specified programmes/initiatives/projects in pursuit of the Policy related to Principle 8? If yes details thereof.

   Yes. The Company has Corporate Social Expenditure (CSR) Policy in line with the requirement of the Companies Act, 2013 ("Act"). The Company, based on the recommendation of the CSR Committee, makes contribution as required under the Act.

2. Are the programmes /projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?

   The CSR programmes of the Company are undertaken in-house.

3. Have you done any impact assessment of your initiative?

The Company assess the impact of our CSR initiatives on regular basis.

4. What is your Company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken?

   Details of the CSR activities undertaken by the Company are provided as Annexure VI to the Board's Report.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

   Not applicable.

Principle 9: Customer Value

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year? – **Nil**
2. Does the Company display product information on the product label, over and above what is mandated as per local laws?

   Yes. The product information is displayed on the product label to the extent required by the applicable law.

3. Is there any case filed by any Stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year?: **No**
4. Did your Company carry out any consumer survey/ consumer satisfaction trends? – **No.**

For and on behalf of Cerebra Integrated Technologies Limited

Date: 27th July, 2020

Place: Bangalore

Ranganathan
Managing Director
DIN: 01247305
Address: Brindavan 90, 3rd Cross,
Sri Venkateshwara Krupa Layout
West of Chord Road, Bangalore-560 079

P Vishwamurthy
Whole Time Director
DIN: 01247336
Address:No.: 22 A, 'VANASUMA'
3rd Stage, 4th Block,
Basveshwaranagar
Bangalore-560 079

Independent Auditor's Report

To the Members of Cerebra Integrated Technologies Limited

Report on the Audit of the Standalone Financial Statements

Qualified Opinion

We have audited the accompanying standalone financial statements of Cerebra Integrated Technologies Limited ("the Company"), which comprise the Balance Sheet as at 31stMarch2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (the 'Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under Section 133 of the Act, of the state of affairs (financial position) of the Company as at 31 March 2020, and its profit (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis of Qualified Opinion

The Company has not maintained proper inventory records in its e-waste division. We have been informed that valuation of inventories of the said division as on 31st March 2020 is made based on the quantitative reconciliation of materials issued for and generated from processing based on theoretical standards and actual quantity of goods sold. Value of e waste division inventories considered in the financial statement as at 31st March 2020 amounted to Rs 624.87 Lakhs. Owing to the nature of inventory and in the absence of sufficient audit evidence we are unable to ascertain the correctness of the valuation and ascertain its consequent impact, if any, on the Ind AS Standalone financial statements.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	How our audit addressed the key audit matter
Impact of trade receivables and advances amounting Rs. 16484.16 Lakhs outstanding for substantial period on Company's ability to continue as a going concern. Trade receivables and advances outstanding for substantial period amounted 71.42% of the net worth of the Company. Hence we identified impact of these receivables on the company's ability to continue as a going concern as a key audit matter.	Our audit procedures included review of fulfilment/capacity to fulfil the balance contractual obligations of the Company, subsequent realisation, confirmation of balances obtained from these parties and steps initiated by the Company to collect theses dues. To the extent not realised till date is also reported in the para “Emphasis of matter”.

Information other than the Financial Statements and Auditor's Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain Professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(I) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with the mall relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication

Emphasis of Matter

We draw attention to the following matters reported in the notes to standalone financial statements relating to:

1. Advances and receivables outstanding for substantial period for which no provision is made as the management is confident of recovering the same either in cash or in kind.
   a. Loans and advances include Rs 769.52 Lakhs (Rs. 861.12 Lakhs) advanced for purchase for immovable property –Refer Note No 37.1 to the standalone financial statement
   b. Advance for import of property plant and equipment's /software amounting to Rs. 1065.94 Lakhs is outstanding for a substantial period of time. Refer Note No 37.6 to the standalone financial statement
   c. Advances of Rs. 593.97Lakhdue from a subsidiary whose net worth is fully eroded. The Company has made an investment of Rs. 3.50 Lakhs (Previous year Rs 3.50 Lakhs) in this subsidiary for which also impairment provision is not made. – Refer Note No 37.4 to the standalone financial statement
   d. Trade receivables include Rs. 3675.48 Lakhs (Previous year Rs. 3902.69) of e waste division wherein recovery is linked with balance supply of minimum quantity.- Refer Note No 37.3 to the standalone financial statement
   e. Other trade receivables Rs. 825.63 Lakhs is outstanding for more than two years. Refer Note No 37.6 to the standalone financial statement
2. Confirmation of balance is not received for trade receivables amounting Rs. 8805.70Lakhs,trade payables amounting Rs. 3771.95 lakhs and advances amounting Rs 2059.19 Lakhs. Refer Note 46.

Our opinion is not modified in respect of the above matter.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016 (the 'Order') issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order.

Further to our comments in Annexure A, as required by Section 143(3) of the Act, we report that:

a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

b. in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

c. the standalone financial statements dealt with by this report are in agreement with the books of account;

d. in our opinion, the aforesaid standalone financial statements comply with Ind AS specified under Section 133of the Act;

e. on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2020 from being appointed as a director in terms of Section164(2) of the Act;

f. we have also audited the internal financial controls over financial reporting (IFCoFR) of the Company as on 31 March 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date and our report as per Annexure B expressed an unmodified opinion;

g. with respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended),in our opinion and to the best of our information and according to the explanations given to us:

   i. the Company has disclosed the impact of pending litigations on its financial position in the standalone financial statements;

   ii. the Company has made provision, as required under the applicable law or Ind AS, for material foreseeable losses, if any, on long-term contracts. We have been informed that Company has not entered into any derivative contracts;

   iii. As informed to us, Company is not required to transfer any funds to the Investor Education and Protection Fund during the year ended 31 March 2020;

   iv. The disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to these standalone financial statements. Hence, reporting under this clause is not applicable.

h. Report under section 197(16):In our opinion and according to the information and explanations given to, the remuneration paid during the current year by the Company to its directors is in accordance with the provisions of section 197 of the Act and is not in excess of the limit laid down under section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under section 197(16) which are required to be commented upon by us

For Ishwar and Gopal,

Chartered Accountants,

FRN: 001154S

K V Gopalakrishnayya

Partner

MRN 021748

Date:27th July 2020

Place: Bangalore

UDIN:20021748AAAAMB4245

Annexure - A To The Independent Auditor's Report Of Even Date to The Members Of Cerebra Integrated Technologies Limited On The Standalone Financial Statements for the Year Ended 31 March 2020

Based on the audit procedures performed for the purpose of reporting a true and fair view on the standalone financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

I. a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

b. The fixed assets of the Company have been verified by the management during the year. No material discrepancies were noticed on such verification and the same have been properly dealt with in the books of account. In our opinion, the periodicity of physical verification is reasonable having regard to the size of the Company and nature of its business

c. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the company.

ii. a. As per the information and explanation given to us, except inventories of e waste materials, all other Inventories have been physically verified during the year by the management. (Refer Note 10 to the standalone financial statements). In our opinion, the frequency of verification is reasonable.

b. The discrepancies between the physical stocks and the book records where applicable, as noticed on physical verification were not material and have been properly dealt with in the books of account;

iii. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has given interest free unsecured advances to two parties covered in the register maintained under section 189 of the Companies Act, 2013 amounting to Rs.7146.67/- lakhs.

a. According to the information and explanations given to us and based on the audit procedures conducted by us, we are of the opinion that these advances are prima facie prejudicial to the interest of the Company as the same are interest free in nature.

b. We have been informed that schedule for repayment is not fixed on these advances and hence we are unable to express an opinion as to whether the receipt of principal are regular.

c. As schedule for repayment is not fixed we are unable to comment as to whether there are over dues outstanding for more than ninety days.

iv. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not complied the provisions of Section 185 of the Companies Act while advancing Rs.7146.67/- lakhs to subsidiaries According to the information and explanations given to us and on the basis of our examination of the records of the Company, Company has complied the provisions of section 186 of the Companies Act, 2013.

v. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not accepted any deposits during the year under review and hence the requirement of clause 3 (v) of Companies (Auditor's Report) Order, 2016 is not applicable to the Company during the year under review.

vi. We have been informed that maintenance of Cost records under sub-section (1) of Section 148 of the Companies Act, 2013 and the rules made thereunder are not applicable relating to the operations of the Company and hence the requirement of clause 3 (vi) of Companies (Auditor's Report) Order, 2016 is not applicable to the Company for the year under review.

vii. a. The Company has been generally regular in depositing with the appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Sales Tax, Service Tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues applicable except dues under Income Tax and Goods and Service Tax.

b. There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues applicable in arrears as at March 31, 2020 for a period of more than six months from the date they became payable except as detailed hereunder.

Name of the Statute	Nature of Due	Amount in Lakhs	Period for which it relates	Due Date	Date of Payment Not Paid as on the
Income Tax, 1961	Income Tax	9.00/-	2001-02	Various dates	date of this report
Central Excise Act, 1944	Excise Duty	28.09/-	2002-03	Various dates	-do-
Income Tax, 1961	Income Tax	1274.38/-	2018-19	31st March 2019	Rs. 25 Lakhs has been paid on 30th June 2020
Income Tax, 1961	Advance Tax	33.97/-	2019-20	15th June 2019	-do-
Income Tax, 1961	Advance Tax	101.90/-	2019-20	15th Sept. 2019	-do-
Goods and Service Tax Act, 2017	Interest On GST	8.11/-	2018-19	Various dates	-do-

c. According to the information and explanation given to us, there are no disputed amounts of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax or cess which have not been deposited with the relevant authorities on account of any dispute

viii. The Company has not defaulted in repayment of dues to banks. The Company does not have any loans or borrowings from any financial institution, Government or Debenture holders during the year.

ix. In our opinion and according to the information and explanations given to us, during the year the Company did not raise any money by way of initial public offer, or further public offer (including debt instruments) or term loans. Accordingly, clause 3 (ix) of Companies (Auditor's Report) Order, 2016 is not applicable to the Company during the year under review.

x. According to the information and explanations given to us, no material frauds by the Company or on the Company by its officers and employees have been noticed or reported during the course of the audit.

xi. According to the information and explanations given to us and based on our examination of records of the Company, the Company has paid / provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V of the Act

xii. In our opinion and according to the information and explanation given to us, the Company is not a nidhi Company. Accordingly, clause 3 (xii) of Companies (Auditor's Report) Order, 2016 is not applicable to the Company during the year under review.

xiii. According to the information and explanation given to us and based on our examination of the records of the Company, transactions with related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

xiv. According to the information and explanation given to us and based on our examination of the records of the Company, the Company has not made preferential allotment of share warrants and shares during the year. Accordingly, clause 3 (xiv) of Companies (Auditor's Report) Order, 2016 is not applicable to the Company during the year under review

xv. According to the information and explanation given to us and based on our examination of the records of the Company, the Company has not entered into any non cash transactions with directors or persons connected with him. Accordingly, clause 3 (xv) of Companies (Auditor's Report) Order, 2016 is not applicable to the Company during the year under review

xvi. According to the information and explanation given to us and based on our examination of the records of the Company, the Company is not required to be registered under section 45-IA of the Reserve Bank of India

For Ishwar and Gopal,
Chartered Accountants,
FRN: 001154S

K .V. Goplakrishnayya
Partner
MRN 021748

Date:27th July 2020
Place: Bangalore
UDIN:20021748AAAAMB4245

Annexure – B To The Independent Auditor's Report Of Even Date to The Members Of Cerebra Integrated Technologies Limited On The Standalone Financial Statements for the Year Ended 31 March 2020

Report on the Internal Financial Controls over financial reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the standalone financial statements of the Cerebra Integrated Technologies Limited ("the Company") as at 31 March 2020, we have audited the internal financial controls over financial reporting of company as of that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate Internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by ICAI and the Standards on Auditing prescribed under Section 143 (10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control and financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Adverse Opinion

According to the information and explanation given to us and based on our audit, the following material weakness has been identified as at 31st March 2020.

The Company's internal financial control over advance payment for purchase of fixed assets, customer acceptance, credit evaluation and establishing customer credit limit for sales, maintenance of inventory records/inventory control in e-waste division were not operating effectively which could potentially result in impact on recognition of revenue/ expenses ,assessment of impairment provisions / variation in valuation of inventories .

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

In our opinion, except for the possible effects of the material weaknesses described above on the achievement of the objectives of the control criteria, the Company has maintained adequate and effective internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as of March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

We have considered the material weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2020, standalone financial statements of the Company, and the same is reported under emphasis of matters in our audit report of even date.

For Ishwar and Gopal,

Chartered Accountants,

FRN: 001154S

K V Goplakrishnayya
Partner
MRN 021748

Date:27th July 2020
Place: Bangalore
UDIN:20021748AAAAMB4245

Cerebra Integrated Technologies Limited

Standalone Balance Sheet as on 31st March 2020

INR in Lakhs

Particulars	Note No	31-03-2020	31-03-2019
Assets			
Non-current assets			
Property, plant and equipment	3A	885.69	855.32
Intangible asset	3B	20.93	-
Capital work In progress - Building		84.06	29.06
Intangible asset under development		-	9.69
Financial assets			
I) Investments			
a) Investment in subsidiaries, associates and joint ventures	4A	337.06	337.06
b) Investment in others	4B	20.85	19.62
ii) Trade receivables	5	5,200.31	-
iii) Loans and advances	6	744.36	792.87
iv) Other financial assets	7	22.46	17.69
Deferred tax assets (Net)	8	62.72	107.16
Other non current assets	9	8,510.97	2,316.23
Current assets			
Inventories	10	1,156.59	349.87
Financial assets			
i) Trade receivables	11	14,612.79	26,695.64
ii) Cash and cash equivalents	12	1,224.41	7,003.01
iii) Bank balances other than (ii) above	13	514.44	523.52
iv) Loans and advances	14	491.27	337.40
Other current assets	15	787.73	692.08
Total assets		**34,676.63**	**40,086.23**
Equity and liabilities			
Equity			
(a) Equity share capital	16	12,119.66	12,119.66
(b) Other equity	17	10,961.93	10,310.34
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	18	13.41	8.44
Provisions	19	50.33	37.42
Current liabilities			
Financial liabilities			
I) Borrowings	20	475.39	138.33
ii) Trade payable	21		
a) Total outstanding dues of micro enterprise and small enterprise		5.11	93.49
b) Total outstanding dues of creditors other than micro enterprise and small enterprise		8705.30	15,201.31
iii) Other financial liabilities	22	295.68	279.35
Provisions	23	39.90	35.37
Other current liabilities	24	392.35	287.51
Current tax liabilities (Net)	25	1,617.57	1,575.00
Total equity and liabilities		**34,676.63**	**40,086.23**

See accompanying notes to financial statements 1 to 47

As per our attached report of even date

For Ishwar & Gopal
Chartered Accountants

K.V. Gopalakrishnayya
Partner
Membership No. : 021748
Firm registration No. : 001154S

Place : Bengaluru
Dated: 27th July 2020
UDIN: 20021748AAAALZ1160

For and on behalf of the Board

V. Ranganathan	**Shridhar S Hegde**	**Nutan Soudagar**
Managing Director	Whole Time Director & CFO	Company Secretary

Cerebra Integrated Technologies Limited

Standalone Statement of Profit or loss for the Year Ended 31st March 2020

INR in Lakhs

Particulars	Note No	For the Year ended 31-03-2020	For the Year ended 31-03-2019
Income			
Revenue from operations	26	9,985.93	26,105.37
Other income	27	267.68	582.34
Total Income		**10,253.61**	**26,687.71**
Expenses			
Cost of material consumed	28	1,938.84	2,516.54
Purchase of Stock in Trade	29	5,058.76	17,394.37
Changes in inventories of work in progress, Stock in Trade and finished goods	30	-1,100.02	577.27
Employee benefits expense	31	916.39	626.44
Finance costs	32	233.23	259.99
Depreciation and amortisation expense	3	29.19	26.98
Other Expenses	33	521.58	1,397.34
Total Expenses		**7,597.97**	**22,798.92**
Profit before exceptional items and tax		**2,655.64**	**3,888.79**
Exceptional Item	34	1,785.07	2,384.69
Profit before tax		**870.58**	**1,504.10**
Income tax Expenses			
a) Current tax		311.64	1,503.01
b) Prior Period Tax Expenses		-138.15	-
c) Deferred tax		44.44	-104.75
Total tax expenses		**217.94**	**1,398.26**
Profit for the year		**652.64**	**105.84**
Other Comprehensive Income			
Items that will not be reclassified to profit or loss	35	-1.49	3.06
Income Tax relating to above		-0.43	1.06
Total other comprehensive Income		**-1.06**	**2.00**
Total Comprahensive Income		**651.58**	**107.83**
Earnings per equity share of Rs 10/ each			
Basic		0.54	0.09
Diluted		0.54	0.09

See accompanying notes to financial statements 1 to 47

As per our attached report of even date

For and on behalf of the Board

For Ishwar & Gopal
Chartered Accountants

K.V. Gopalakrishnayya	**V. Ranganathan**	**Shridhar S Hegde**	**Nutan Soudagar**
Partner	Managing Director	Whole Time Director & CFO	Company Secretary
Membership No. : 021748			
Firm registration No. : 001154S			

Place : Bengaluru
Dated : 27th July 2020
UDIN: 20021748AAAALZ1160

Cerebra Integrated Technologies Limited

Standalone Cash flow Statement for the Year Ended 31st March 2020

INR in Lakhs

Particulars	2019-20		2018-19	
	Rs.	Rs.	Rs.	Rs.
A. Cashflow from operating activities				
Net profit before tax		870.58		1,504.10
Adjustments for:				
Depreciation(net)	29.19		26.98	
Interest expenditure	213.98		228.32	
Interest income	-157.35		-36.30	
Excess provision/unclaimed credit withdrawn	-3.33		-3.58	
Trade receivables written off	1,785.07		1,083.13	
Profit on sale of investments	-		-37.76	
Dividend Income	-1.23		-3.82	
Bad Advances Written off	0.66		2,391.55	
Profit on sale of assets	-	1,866.99	-1.60	3,646.92
Operating profit/(Loss)before working capital changes		2,737.57		5,151.01
Adjustments for changes in :				
Decrease/(increase) in inventories	-806.72		1,107.97	
Decrease/(increase) in trade & other receivable	-1,303.70		-14,375.15	
Decrease/(increase) in trade & other payables	-6,436.91		7,476.42	
		-8,547.33		-5,790.76
Cash generated from operations		-5,809.76		-639.74
Less: Income tax paid(net of refund)		234.62		656.99
Net cashflow from operating activities		**-6,044.38**		**-1,296.73**
B. Cashflow from investing activities				
Interest income	157.35		32.33	
Investment in Subsidiary	-		-322.55	
Investment in fixed deposits	9.08		-65.98	
Redemption /(Investment) in mutual funds(Net)	0.00		1,455.79	
Purchase of fixed assets including capital WIP	-125.81		-39.66	
Net cash flow from investing activities		**40.62**		**1,059.93**
C. Cashflow from Financing activities				
Increase(decrease) in borrowings	10.38		7.61	
Amount received towards share capital, security premium and share warrants	-		240.00	
Interest paid	-116.87		-82.34	
Net cash flow from financing activities		**-106.49**		**165.28**
Net increase/(Decrease)in Cash & Cash equivalents)		**-6,110.26**		**-71.51**
Cash & Cash equivalents				
Opening balance		6,874.68		6,946.19
Closing balance		764.42		6,874.68
Net increase/Decrease in cash and cash equivalents		**-6,110.26**		**-71.51**

See accompanying notes to Financial Statements

As per our attached report of even date

For Ishwar & Gopal
Chartered Accountants

For and on behalf of the Board

K.V. Gopalakrishnayya	**V. Ranganathan**	**Shridhar S Hegde**	**Nutan Soudagar**
Partner	Managing Director	Whole Time Director & CFO	Company Secretary
Membership No. : 021748			
Firm registration No. : 001154S			

Place : Bengaluru
Dated : 27th July 2020
UDIN: 20021748AAAALZ1160

Cerebra Integrated Technologies Limited

Standalone Statement of Changes In Equity

A) Equity Share Capital **INR In Lakhs**

Equity shares of INR 10 each issued,subscribed and fully paid	Number	INR in Lakhs
On 31st March 2018	**12,03,86,482.00**	**12,039.66**
Issue during the year	8,00,000	80.00
Balance at March 31,2019	**12,11,86,482.00**	**12,119.66**
Issue during the year	-	-
Balance at March 31,2020	**12,11,86,482.00**	**12,119.66**

B) Other equity **INR In Lakhs**

Particulars	Other Equity			Other Compra-hensive Income	Application money received towards share warrants	Total
	Securities premium	Capital reserve	Retained earnings			
Balance at April 1, 2018	**9,479.72**	**226.77**	**-209.29**	**-1.34**	**530.00**	**10,025.85**
Profit for the year/Additions during the Year	256.65	-	105.84	-	-	812.49
Shares warrants forfeited	-	450.00	-	-	-450.00	-
Issue of share capital	-	-	-	-	-80.00	-
Re-measurement gains/(Losses) on defined benefit plans, net of tax	-	-	-	-	-	-
Net(Loss)/gain on investment in equity shares/ units accounted at fair Value, Net of tax	-	-	-	2.00	-	2.00
Balance as at March 31, 2019	**9,736.37**	**676.77**	**-103.45**	**0.66**	**-**	**10,310.34**
Profit for the year/Additions during the Year	-	-	652.64	-	-	-
Shares warrants forfeited	-	-	-	-	-	-
Issue of share capital	-	-	-	-	-	-
Re-measurement gains/(Losses) on defined benefit plans, net of tax	-	-	-	-1.06	-	-
Net(Loss)/gain on investment in equity shares/ units accounted at fair Value,Net of tax	-	-	-	-	-	-
Balance as at March 31, 2020	**9,736.37**	**676.77**	**549.18**	**-0.40**	**-**	**10,961.92**

See accompanying notes to the financial statements

As per our attached report of even date

For and on behalf of the Board

For Ishwar & Gopal
Chartered Accountants

K.V. Gopalakrishnayya
Partner
Membership No. : 021748
Firm registration No. : 001154S

V. Ranganathan
Managing Director

Shridhar S Hegde
Whole Time Director & CFO

Nutan Soudagar
Company Secretary

Place : Bengaluru
Dated : 27th July 2020
UDIN: 20021748AAAALZ1160

Note 1: Corporate Information

Cerebra Integrated Technologies Limited is a public limited Company , incorporated in India having its Registered Office at S-5, Off 3rd Cross, Peenya Industrial Area, Peenya 1st Stage Bangalore - 560 058. The Company is engaged in the business of e-waste recycling, refining and refurbishment, electronic manufacturing services and IT infrastructure management. The financial statements for the year ended March 31, 2020 were approved by the Board of Directors and authorised for issue on July 27th, 2020.

Note 2: Basis of Preparation, Critical Accounting Estimates and Judgements, Significant Accounting Policies and Recent Accounting Pronouncements.

A. Basis of preparation:

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ('Act') read with of the Companies (Indian Accounting Standards) Rules,2015 as amended and other relevant provisions of the Act. The accounting policies are applied consistently to all the periods presented in the financial statements.

B. Convention:

These financial statements have been prepared on a historical cost basis, except for certain financial instruments which are measured at fair value at the end of each reporting period. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

C. Critical accounting estimates and judgements:

The preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS requires management to make judgements, estimates and assumptions, that affect the reported balances of assets and liabilities, disclosures relating to contingent liabilities as at the date of the financial statements and the reported amounts of income and expenses for the years presented. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements pertain to:

i. **Useful lives of property, plant, equipment and intangible assets:** The Company has estimated useful life of each class of assets based on the nature of assets, the estimated usage of the asset, the operating condition of the asset, past history of replacement, anticipated technological changes, etc. The Company reviews the useful life of property, plant & equipment and Intangible assets as at the end of each reporting period. This reassessment may result in change of depreciation expense in future periods.

ii. **Impairment testing:** Property, plant, equipment & Intangible assets that are subject to amortisation/depreciation are tested for impairment when events occur or changes in circumstances indicate that the recoverable amount of the cash generating unit is less than its carrying value. The recoverable amount of cash generating units is higher of value-in-use and fair value less cost to sell. The calculation involves use of significant estimates and assumptions which includes turnover and earnings multiples, growth rates and net margins used to calculate projected future cash flows, risk-adjusted discount rate, future economic and market conditions.

iii. **Impairment of investments:** The Company reviews its carrying value of investments carried at cost or amortised cost annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.

iv. **Income Tax:** Deferred tax assets are recognized to the extent that it is regarded as probable that deductible temporary differences can be realized. The Company estimates deferred tax assets and liabilities based on current tax laws and rates and in certain cases, business plans, including management's expectations regarding the manner and timing of recovery of the related assets. Changes in these estimates may affect the amount of deferred tax liabilities or the valuation of deferred tax assets and thereby the tax charge in the Statement of Profit or Loss. Provision for tax liabilities require judgements on the interpretation of tax legislation, developments in case law and the potential outcomes of tax audits and appeals which may be subject to significant uncertainty. Therefore the actual results may vary from expectations resulting in adjustments to provisions, the valuation of deferred tax assets, cash tax settlements and therefore the tax charge in the Statement of Profit or Loss.

v. **Litigation:** From time to time, the Company is subject to legal proceedings the ultimate outcome of each being always subject to many uncertainties inherent in litigation. A provision for litigation is made when it is considered probable that a payment will be made and the amount of the loss can be reasonably estimated. Significant judgement is made when evaluating, among other factors, the probability of unfavourable outcome and the ability to make a reasonable estimate of the amount of potential loss. Litigation provisions are reviewed at each accounting period and revisions made for the changes in facts and circumstances.

vi. **Fair value measurement of financial instruments:** The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. This involves significant judgements in selection of a method in making assumptions that are mainly based on market conditions existing at the Balance Sheet date and in identifying the most appropriate estimate of fair value when a wide range of fair value measurements are possible.

D. Significant Accounting Policies

1. Revenue Recognition:

(I) Income from operations:

Revenue from sales of goods or rendering of services is net of Indirect taxes, returns and discounts. Revenue from rendering of the service is recognised provided pervasive evidence of an arrangement exists, rates are fixed or are determinable and collectability is reasonably certain

(ii) Interest income:

Interest income is accrued on a time proportion basis using the effective interest rate method.

(iii) Dividend

Dividend income is recognized when the Company's right to receive the amount is established.

2. Employee Benefits.

(i) Provident Fund

The eligible employees of the Company are entitled to receive benefits under the provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary (currently 12% of employees' salary), which is recognised as an expense in the Statement of Profit and Loss during the year. The contributions as specified under the law are paid to the respective Regional Provident Fund Commissioner.

(ii) Gratuity Fund

The Employee Payment of Gratuity Act, provides for lump sum payment to vested employees on retirement, death or termination of employment of an amount based on the respective employee's last drawn salary and tenure of employment. The Company accounts for the net present value of its obligations for gratuity benefits, based on an independent actuarial valuation, determined on the basis of the projected unit credit method, carried out as in the Balance Sheet date. Actuarial gains and losses are recognised immediately in the Other Comprehensive Income and reflected in retained earnings and will not be reclassified to the Statement of Profit and Loss.

(iii) Compensated Absences

Liability for compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised based on actuarial valuation.

(iv) Short Term Obligations

The costs of all short-term employee benefits (that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service) are recognised during the period in which the employee renders the related services.

3. Property, Plant and Equipment:

Property, plant and equipment are stated at cost, less accumulated depreciation (other than freehold land) and accumulated impairment losses, if any. All property, plant and equipment are initially recorded at cost. On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognized as of April 1, 2016 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

Cost initially recognised includes the acquisition cost or the cost of construction, including duties and non-refundable taxes, expenses directly related to bringing the asset to the location and condition necessary for making them operational for their intended use and, in the case of qualifying assets, the attributable borrowing costs.

Subsequent expenditure relating to property, plant and equipment is capitalised only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably.

An asset’s carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Depreciation is charged to Statement of Profit and Loss so as to expense the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight line method, as per the useful life prescribed in Schedule II to the Companies Act, 2013.

The asset’s useful lives and residual values are reviewed at the Balance Sheet date and the effect of any changes in estimates are accounted for on a prospective basis.

An item of property, plant & equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant & equipment is determined as the difference between the sales proceeds & the carrying amount of the asset & is recognized in the Statement of Profit & Loss.

Capital work in progress represents projects under which the property, plant & equipment are not yet ready for their intended use and are carried at cost determined as aforesaid.

4. Intangible Assets:

Intangible assets are initially measured at acquisition cost including any directly attributable costs of preparing the asset for its intended use.

Intangible assets with finite lives are amortized over their estimated useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. Intangible Assets with indefinite useful lives are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

An intangible assets is derecognized on disposal, or when no future economic benefits are expected to arise from continued use of the asset. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, & are recognized in the Statement of Profit and Loss when the asset is derecognized.

5. Impairment of assets:

Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in the Statement of Profit and Loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in Statement of Profit and Loss.

6. Foreign Currency Translation:

(i) Initial Recognition

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

(ii) Subsequent Recognition

As at the reporting date, non-monetary items which are carried at historical cost and denominated in a foreign currency are reported using the exchange rate at the date of the transaction. All non-monetary items which are carried at fair value denominated in a foreign currency are retranslated at the rates prevailing at the date when the fair value was determined.

Income and expenses in foreign currencies are recorded at exchange rates prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities are translated at the exchange rate prevailing on the balance sheet date and exchange gains and losses arising on settlement and restatement are recognised in the Statement of Profit and Loss.

7. Assets taken on lease:

A Lease in which a significant portion of the risks and rewards of ownership are not transferred to the Company and the agreement is for a period of less than twelve months is classified as operating lease. Payments made under operating lease are charged to the Statement of Profit and Loss on a straight-line basis over the period of the lease.

8. Inventories:

Inventories are carried at the lower of cost (computed on a Weighted Average basis) or net realisable value. Cost in e - waste division is allocated to service income and sale of products generated from processing in proportion to estimated revenue. Cost includes the fair value of consideration paid including duties and taxes (other than those refundable), inward freight, and other expenditure directly attributable to the purchase. Also refer Note 10

9. Income Taxes and Deferred Taxes:

(i) Current tax:

Current tax expenses are accounted in the same period to which the revenue and expenses relate. Provision for current income tax is made for the tax liability payable on taxable income after considering tax allowances, deductions and exemptions determined in accordance with the applicable tax rates and the prevailing tax laws.

(ii) Deferred tax:

Deferred income tax is recognised using the balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in financial statements. Deferred income tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised.

Deferred tax liabilities are generally recognized for all taxable temporary differences except in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each Balance Sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred income tax asset to be utilised.

10. Provisions and contingent liabilities:

Provisions are recognised when the Company has a binding present obligation. This may be either legal because it derives from a contract, legislation or other operation of law, or constructive because the Company created valid expectations on the part of third parties by accepting certain responsibilities. To record such an obligation it must be probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made for the amount of the obligation.

Contingent liabilities are disclosed in respect of possible obligations that arise from past events but their existence will be confirmed by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company or where any present obligation cannot be measured in terms of future outflow of resources or where reliable estimate of the obligation cannot be made.

11. Borrowing Costs:

General and specific borrowing costs directly attributable to the acquisition or construction of qualifying assets that necessarily takes a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Borrowing costs consist of interest and other costs that the company incurs in connection with the borrowing of funds.

12. Statement of Cash Flows:

Cash flows are reported using the indirect method, whereby profit/ (loss) before tax is adjusted for the effects of transactions of non cash nature and any deferrals or accruals of past or future cash receipts or payments. Cash flow for the year are classified by operating, investing and financing activities.

13. Earnings Per Share:

Basic earnings per share is computed by dividing the profit or loss after tax by the weighted average number of equity shares outstanding during the year including potential equity shares on compulsory convertible debentures. Diluted earnings per share is computed by dividing the profit / (loss) after tax as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the delusive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share.

14. Exceptional items:

The company discloses certain financial information both including and excluding exceptional items. The presentation of information excluding exceptional items allows a better understanding of the underlying trading performance of the company and provides consistency with the company's internal management reporting. Exceptional items are identified by virtue of either their size or nature so as to facilitate comparison with prior periods and to assess underlying trends in the financial performance of the company. Exceptional items can include, but are not restricted to, gains and losses on the disposal of assets/ investments, impairment charges, exchange gain/ loss on long term borrowings / assets and changes in fair value of derivative contracts.

15. Financial Instruments:

(a) Financial assets

Initial recognition and measurement

Financial assets are recognised when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. The Company determines the classification of its financial assets at initial recognition.

When financial assets are recognised initially, they are measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets, which are not at fair value through profit or loss, are adjusted to the fair value on initial recognition.

Classification:

Cash and Cash Equivalents — Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances with an original maturity of three months or less from the date of acquisition, highly liquid investment that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

Debt Instruments - The Company classifies its debt instruments (a) as subsequently measured at amortised cost or (b) fair value through Other Comprehensive Income or© fair value through profit or loss based on its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

(I) Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest. Interest income from these financial assets is included as a part of the Company's income in the Statement of Profit and Loss using the effective interest rate method.

(ii) Financial assets at fair value through Other Comprehensive Income (FVOCI)

Financial assets are subsequently measured at fair value through Other Comprehensive Income if these financial assets are held for collection of contractual cash flows and for selling the financial assets, where the asset's cash flows represent solely payments of principal and interest.

Movements in the carrying value are taken through Other Comprehensive income, except for the' recognition of impairment gains or losses, interest revenue and foreign exchange gains or losses which are recognised in the Statement of Profit and Loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in Other Comprehensive Income is reclassified from Other Comprehensive Income to the Statement of Profit and Loss. Interest income on such financial assets is included as a part of the Company's income in the Statement of Profit and toss using the effective interest rate method.

(iii) Financial assets at fair value through profit or loss (FVTPL)

Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on such debt instrument that is subsequently measured at FVTPL and is not part of a hedging relationship as well as interest income is recognised in the Statement of Profit and Loss.

De-recognition

A financial asset is derecognised only when the Company has transferred the rights to receive cash flows from the financial asset. Where the Company has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the Company has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

(b) Financial liabilities

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. The Company determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value Transaction costs that are directly attributable to the acquisition or issue of financial liabilities, which are not at fair value through profit or loss, are adjusted to the fair value on initial recognition.

Subsequent measurement

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in the Statement of Profit and Loss when the liabilities are derecognised, and through the amortisation process.

De-recognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

16. Accounting of Leases

The Company, as a lessee, recognises a right-of-use asset and a lease liability for its leasing arrangements, if the contract conveys the right to control the use of an identified asset. The contract conveys the right to control the use of an identified asset, if it involves the use of an

identified asset and the Company has substantially all of the economic benefits from use of the asset and has right to direct the use of the identified asset. The cost of the right-of-use asset shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made ator before the commencement date plus any initial direct costs incurred. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset.

The Company measures the lease liability at the present value of the lease payments that are no paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. For short-term and low value leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the lease term.

Recent accounting pronouncements:

On 24th July 2020, the Ministry of Corporate Affairs (MCA) has notified amendments to Accounting Standards 1, 8, 10, 37, 103, 107, 109 and 116 by way of Companies (Indian Accounting Standards) Amendment Rules, 2020 which is applicable with effect from 1st April, 2020.

These amendments have been made keeping in view the current business environment caused by the pandemic. COVID-19 has not only affected the health of people across the globe it has also caused severe disturbances in the global economic environment which has consequential impact on financial statements and reporting.

The Company is currently evaluating the impact on account of the above amendment and is of the opinion that it may not have significant impact on key profit & loss and balance sheet ratio i.e. Earnings before interest, tax, depreciation and amortisation (EBITDA), Asset coverage, debt equity, interest coverage, etc.

Cerebra Integrated Technologies Limited

3A Property, Plant and Equipment **INR in Lakhs**

Particulars	Freehold Land	Leasehold Land#	Factory Buliding^	Plant and Machinery	Office Equip-ment	Computers	Vehicles**	Electrical Installations	Furniture and Fixtures	Total
Gross Block										
Balance as at 31st March 2018	**2.01**	**511.89**	**239.95**	**67.10**	**10.99**	**9.51**	**22.78**	**44.86**	**4.77**	**913.86**
Additions	-	-	-	-	0.85	-	-	-	1.64	2.50
Deductions/ Adjustment	-	-	-	-	-	-	1.62	-	-	1.62
Balance as at 31st March 2019	**2.01**	**511.89**	**239.95**	**67.10**	**11.84**	**9.51**	**21.16**	**44.86**	**6.41**	**914.74**
Additions	-	-	10.00	24.96	5.32	0.77	12.75	-	4.20	58.00
Deductions/ Adjustment	-	-	-	-	-	-	-	-	-	-
Balance as at 31st March 2020	**2.01**	**511.89**	**249.95**	**92.06**	**17.16**	**10.28**	**33.91**	**44.86**	**10.61**	**972.73**
Accumulated Depreciation										
Balance as at 31st March 2018	**-**	**-**	**8.85**	**5.60**	**3.87**	**3.64**	**7.32**	**3.91**	**0.89**	**34.06**
Additions	-	-	8.77	4.95	1.92	1.84	4.34	4.60	0.57	26.98
Deductions/ Adjustment	-	-	-	-	-	-	1.62	-	-	1.62
Balance as at 31st March 2019	**-**	**-**	**17.62**	**10.55**	**5.79**	**5.48**	**10.04**	**8.51**	**1.46**	**59.42**
Additions	-	-	8.82	5.51	2.33	1.64	4.00	4.60	0.71	27.62
Deductions/ Adjustment	-	-	-	-	-	-	-	-	-	-
Balance as at 31st March 2020	**-**	**-**	**26.44**	**16.06**	**8.11**	**7.13**	**14.04**	**13.10**	**2.16**	**87.04**
Net carrying amount as at 31st March 2020	**2.01**	**511.89**	**223.51**	**76.00**	**9.05**	**3.15**	**19.87**	**31.76**	**8.44**	**885.69**
Net carrying amount as at 31st March 2019	**2.01**	**511.89**	**222.33**	**56.55**	**6.06**	**4.03**	**11.12**	**36.35**	**4.95**	**855.32**

Lease hold land amounting Rs. 506.4 Lakhs (31.03.2019 Rs. 506.40/- Lakhs) includes 48,564 Sq. Mtrs of land at Narsapura Industrial Area, Kolar Taluk, Kolar District, allotted by Karnataka Industrial Area Development Board (KIADB) on lease cum sale basis for setting up an e-waste recycling plant within a specified period. As per the lease cum sale agreement, KIADB has got the right to determine the lease and forfeit up to 25% of the consideration paid / enhance the compensation payable if the company fails to set up the plant with in the specified period.

^ The Factory building having a carrying value of Rs. 223.53 Lakhs (31.03.2019 Rs. 54.48 Lakhs) has been mortgaged to Canara Bank (Erstwhile Syndicate Bank) as a security against working capital limits sanctioned by them as on the date of the balance sheet.

** The vehicles of the company having a carrying value of Rs 19.87 (31.03.2019 Rs.11.12 Lakhs) Lakhs are hypothecated to a bank as security against term loans obtained by the company for purchasing the said vehicle.

Intangibles

Particulars	Software	Total
Gross Block		
Balance as at 31st March 2019	**-**	**-**
Additions	22.52	22.52
Deductions/ Adjustment	-	-
Balance as at 31st March 2020	**22.52**	**22.52**
Accumulated Depreciation		
Balance as at 31st March 2019	**-**	**-**
Additions	-	-
Deductions/ Adjustment	1.58	1.58
Balance as at 31st March 2020	**1.58**	**1.58**
Net carrying amount as at 31st March 2020	**20.93**	**20.93**
Net carrying amount as at 31st March 2019	**-**	**-**

Cerebra Integrated Technologies Limited

Standalone Notes Forming Part of Financial Statements for as at 31st March 2020

INR in Lakhs

Note No.	Particulars	As at 31st March 2020	As at 31st March 2019
4	**Investment**		
	Unquoted Equity Shares		
	i) Investment in Subsidiaries		
	a) Cerebra LPO India Limited	3.50	3.50
	b) Cerebra Middle East FZCO	333.56	333.56
A	**Total**	**337.06**	**337.06**
	Quoted Mutual Funds		
	HDFC Short Term Opportunities Fund- (Units 102269.69 (31.03.2019 96630.01))	10.56	9.90
	ICICI Prudential Mutual Fund (Units 89309.88 (31.03.2019 84353.47))	9.06	8.55
	Nippon India Prime Debt Fund (Units 7197.02 (31.03.2019 6844.47))*	1.23	1.17
B	**Total**	**20.85**	**19.62**
	Total	**357.91**	**356.68**
	Aggregate value of Quoted Investments	20.85	19.62
	Market value of Quoted Investments	20.85	19.62
	Aggregate value of Unquoted Investments at face value	337.06	337.06
	* Previously known as Reliance India Prime Debt Fund		
5	**Trade Receivables- Non Current**		
	Trade Receivables unsecured- considered good	1,424.69	-
	Trade Receivables unsecured- considered doubtful	-	-
	Trade Receivables which have significant increase in credit risk	3,775.62	-
	Trade Receivables - Credit Impaired	-	-
	Sub Total	**5,200.31**	**-**
	Less: Allowance for Doubtful Trade Receivables	-	-
	Total	**5,200.31**	**-**
6	**Loans and Advances (Unsecured, considered good)**		
	Advances to subsidary - Considered credit impaired	593.97	-
	Advances to subsidary - Considered Good	-	595.25
	Less: Provision for Impairment	-	-
	Net Advances to subsidary	593.97	595.25
	Security deposits considered good	1.70	8.34
	Other loans and advances	148.69	189.29
	Total	**744.36**	**792.87**
	Break-up:		
	Loans considered good - Secured	-	-
	Loans considered good - Unsecured	150.39	197.62
	Loans which have significant increase in credit risk	-	595.25
	Loans - credit impaired	593.97	-
	Total	**744.36**	**792.87**
	Less: Allowance for Doubtful Loans	-	-
	Total Loans and Advances	**744.36**	**792.87**

Standalone Notes Forming Part of Financial Statements for as at 31st March 2020

INR in Lakhs

Note No.	Particulars	As at 31st March 2020	As at 31st March 2019
7	**Other Financial Assets**		
	Interest accrued but not due on deposits	22.46	17.69
	Total	**22.46**	**17.69**
8	**Deferred Assets (Net)**		
	On account of fixed assets	-7.28	-9.28
	On account of temporary disallowances under Income Tax	70.01	116.44
	Total	**62.72**	**107.16**
9	**Other Non Current Assets**		
	Capital advance -to a subsidiary	6,598.82	387.52
	Capital advance -to others (Refer Note number 37.1 and 37.2)	1,910.50	1,927.06
	Other advances	1.65	1.65
	Total	**8,510.97**	**2,316.23**
10	**Inventories**		
	Raw materials	6.30	299.60
	Stock in process	624.87	-
	Stock in trade	525.42	50.27
	Total	**1,156.59**	**349.87**

Valuation of inventories in the e waste division is made based on the quantitative reconciliation of material issued to and generated from processing based on theoretical standards and the actual quantity of goods sold. Company is in the process of installing a software to tag and capture the movement of materials in that division.

11	***Trade Receivables: Current**		
	Trade Receivables unsecured- considered good	14,612.79	5,898.36
	Trade Receivables unsecured- considered doubtful	-	-
	Trade Receivables which have significant increase in credit risk	-	20,797.28
	Trade Receivables - Credit Impaired	-	-
	Sub Total	**14,612.79**	**26,695.64**
	Less: Allowance for Doubtful Trade Receivables	-	-
	Total	**14,612.79**	**26,695.64**
12	**Cash and Cash Equivalents**		
	A) Balances with Banks		
	i) In Current account with scheduled bank	291.78	77.67
	ii) In Foreign currency with foreign bank	929.28	6,917.00
	B) Cash in hand		
	i) In Indian rupee	1.12	5.96
	ii) In Foreign currency	2.22	2.38
	Total	**1,224.41**	**7,003.01**
13	**Bank balances (other than Note 12 above)**		
**	In deposits with scheduled bank (with maturity of more than three months)	514.44	523.52
Total		**514.44**	**523.52**

* Trade receivables, company has recovered 63% at the time of printing of this Annual Report.

** Deposits with the banks are pledged to a bank as a security against guarantee issued by them on behalf of the Company.

Standalone Notes Forming Part of Financial Statements for as at 31st March 2020

INR in Lakhs

Note No.	Particulars	As at 31st March 2020	As at 31st March 2019
14	**Loans and advances**		
	Advance to subsidiaries	340.00	193.00
	Security deposits considered good	31.59	1.79
	Earnest money deposits	119.68	142.61
	Total	**491.27**	**337.40**
	Break-up:		
	Loans considered good - Secured	-	-
	Loans considered good - Unsecured	491.27	337.40
	Loans which have significant increase in credit risk	-	-
	Loans - credit impaired	-	-
	Total	**491.27**	**337.40**
	Less: Allowance for Doubtful Loans	-	-
	Total	**491.27**	**337.40**
15	**Other current assets**		
	Prepaid expenses	8.21	6.21
	Unbilled Revenue	577.27	577.27
	Advance to suppliers	52.57	1.99
	Advance to employees	6.39	0.25
	Balance with statutory / government authorities	143.29	106.36
Total		**787.73**	**692.08**

16 Equity Share Capital

	Particulars	As at 31st March 2020	As at 31st March 2019
		Number	Number
a	Authorised Equity Share Capital 12,60,00,000 (12,60,00,000) Equity Shares of Rs. 10 Each	12,600.00	12,600.00
b	Issued Subscribed and fully paid up Equity Share Capital(Par Value per Share Rs. 10) 12,11,86,482 (12,03,86,482) Equity Shares of Rs. 10 Each	12,118.64	12,118.64
c	Add:- Forfeited Shares	1.02	1.02
	Total	**12,119.66**	**12,119.66**

d	Reconciliation of No of equity share and share capital outstanding	As at 31st March 2020		As at 31st March 2019	
		Number	Amount	Number	Amount
	Opening number of share outstanding	12,11,86,482	12,118.64	12,03,86,482	12,038.64
	Add: No of Shares/ Share Capital issued/ subscribed during the year	-	-	8,00,000	80.00
	Closing Number of shares outstanding	12,11,86,482	12,118.64	12,11,86,482	12,118.64

e Terms / Rights attached to equity shares

The Company has only one class of equity shares having par value of Rs. 10 per share. Each holder of an equity share is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of share holders in the Annual General Meeting. During the year, the Company has not declared any dividend. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of shares held by the equity share holders.

f Out of the total issued and paid up capital 92,16,153 (92,16,153) shares of Rs 10/ each have been allotted as fully paid up pursuant to a contract without payment received in cash

g Out of the shares allotted as detailed in clause(f) above, the shareholders of the Company in their meeting held on 25th September 2019 approved the reduction of share capital of the Company by 92,00,000 equity shares. The Company has initiated steps for obtaining approvals under listing agreement and under the Companies Act,2013

Standalone Notes Forming Part of Financial Statements for as at 31st March 2020

h Shares held by each shareholder holding more than 5 percent shares specifying the number of shares held

Name of the Shareholders	As at 31st March 2020		As at 31st March 2019	
	No. of shares	% of holding	No. of shares	% of holding
Manish Lakhi	94,23,720	7.78%	94,23,720	7.78%
Kuber Global Fund	1,19,00,000	9.82%	1,19,00,000	9.82%

Other Equity

17	Particulars	2019-20	2018-19
I)	Capital reserve		
	Balance as per last financial statement	**676.77**	**226.77**
	Add: Additions on account of warrants forfeited	**-**	**450.00**
		676.77	**676.77**
ii)	Security premium		
	Balance as per last financial Statement	9,736.37	9,479.72
	Add:- Received during the year	-	256.65
	Balance as on balance sheet date	**9,736.37**	**9,736.37**
iii)	**Surplus**		
	Balance as per last financial Statement	-103.45	-209.29
	Add:- Profit for the year	652.64	105.84
	Balance as on balance sheet date	**549.19**	**-103.45**
iv)	**Other Comprehensive Income**		
	Balance as per last financial Statement	0.66	-1.34
	Add:- For the year	-1.06	2.00
	Balance as on balance sheet date	**-0.40**	**0.66**
	Total	**10,961.93**	**10,310.34**

*During the Financial year 2017-18 the company had issued 53 Lakhs share warrants to the promoters of the company at Rs. 40 Per share. The company has received Rs. 10 (25%) against the same on 28th April 2017. Such warrants had to be convertible into one equity share at any time within a period of 18 Months from the date of allotment of such warrants. Balance 75% (i.e.Rs.30) had to be paid before the date of subscription to equity shares. On expiry of the said period of 18 months only 8 lakh share warrants had been converted in to equity shares by payment of Rs. 30 per share and the balance amount of Rs. 450 lakhs received has been forfeited and the same has been treated as capital reserve.

Capital Reserve: Capital reserve represents share and share warrants forfeited. Capital Reserve is utilised in accordance with the provisions of the Act

Security Premium: Securities Premium is created due to premium on issue of shares. These reserve is utilised in accordance with the provisions of the Act.

Retained Earnings/Surplus: Surplus is created out of the profits generated . The same can be utilised in accordance with the provisions of the Act to distribute among the shareholders by way of dividend or by way of issue of bonus shares etc. after setting off accumulated loss.

18	**Borrowings (Non Current)**		
	Term Loans from Banks - secured (secured by hypothecation of vehicle)	19.13	10.46
	Total long term borrowings	**19.13**	**10.46**
	Less: Instalments of term loan payable within a year considered as other current liability (Refer note No.19)	5.72	2.02
	Total	**13.41**	**8.44**

Schedule of repayment of loan is as under

Year	Amount in Lakhs	Year	Amount in Lakhs
2019-20	2.02	2022-23	5.19
2020-21	5.72	2023-24	1.74
2021-22	5.70	2024-25	0.78

19	**Provisions (Non Current)**		
	Provision for		
	- Gratuity (Refer note 43)	44.48	34.56
	- Leave Benefits(Refer note 43)	5.85	2.85
	Total	**50.33**	**37.42**

Standalone Notes Forming Part of Financial Statements for as at 31st March 2020

20	**Borrowings#**		
	Cash Credit/Overdraft from Canara Bank (Erstwhile Syndicate Bank)*	459.98	128.33
	Loan from Directors	15.41	10.00
	Total	**475.39**	**138.33**

*The Factory buildings having a carrying value of Rs. 223.53 Lakhs (31.03.2019 Rs. 54.48 Lakhs) has been mortgaged to Canara Bank (Erstwhile Syndicate Bank) as a security against working capital limits sanctioned by them as on the date of the balance sheet. The current assets of the company including Raw Material, WIP, Finished goods are also hypothecated against cash credit limit of Rs 300 Lakhs and Adhoc Limit of Rs 500 Lakhs. The Adhoc Limit of Rs 500 Lakhs is also secured by way of personal guarantee of three whole time directors of the company.

Current maturities of long term debts has been regrouped under Other Current Liabilities. Refer Note No 24

21	**Trade Payables**		
	Total outstanding dues of micro enterprise and small enterprise	5.11	93.49
	Total outstanding dues of creditors other than micro enterprise and small enterprise	8,705.30	15,201.31
	Total	**8,710.41**	**15,294.80**

The information required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties had been identified on the basis of information available with the company in this regard.

Disclosure required under MSME Act, 2006. **INR in Lakhs**

Sl. No.	Particulars	31-Mar-20	31-Mar-19
a.	The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier as at the end of each accounting year;		
	Principal amount	5.11	93.49
	Interest due thereon	Nil	4.10
b.	The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	Nil	Nil
c.	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	Nil	4.10
d.	The amount of interest accrued and remaining unpaid at the end of each accounting year; and The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	4.10	4.10

22	**Other Financial Liabilities**		
	Liabilities for expenses	219.78	275.75
	Deposits received	75.90	3.60
	Total	**295.68**	**279.35**
23	**Provision (Current)**		
	Provision for		
	- Gratuity (Refer note 43)	18.18	17.41
	- Leave Benefits(Refer note 43)	0.79	0.41
	- Warranty	8.56	-
	- Bonus Payable	12.37	17.55
	Total	**39.90**	**35.37**
24	**Other Current Liabilities**		
	Advances from customers	6.58	12.69
	Current maturities of long term debts#	5.72	2.02
	Statutory liabilities	380.05	272.80
	Total	**392.35**	**287.51**
#	Current maturities of long term debts has been regrouped under Other Current Liabilities. Refer Note No 24.		
25	**Current Tax Liabilities**		
	Provision for tax	1,617.57	1,575.00
	Total	**1,617.57**	**1,575.00**

Standalone Notes Forming Part of Financial Statements for as at 31st March 2020

INR in Lakhs

Note No.	Particulars	Year ending 31.03.2020	Year ending 31.03.2019
26	**Revenue from operations**		
	Sale of products	5,958.11	26,105.37
	Income from Services- E-waste processing	3,750.76	-
	Income from Services- Others	277.06	-
	Revenue from operations (Gross)	**9,985.93**	**26,105.37**
27	**Other income**		
	Interest income	157.35	36.30
	Excess provision / (unclaimed credit) withdrawn	3.33	3.58
	Dividend income	1.23	3.82
	Profit on sale of investment	-	37.76
	Profit on sale of assets	-	1.60
	Rent received	-	0.63
	Net gain on foreign currency transaction	105.77	498.65
	Net gain on sale, fair valuation of investment through profit and loss	-	-
	Total	**267.68**	**582.34**
28	**Cost of materials consumed**		
	Opening stock	299.60	830.30
	Add: Purchase during the year	1,645.55	1,985.84
	Less:- Closing stock	6.30	299.60
	Total	**1,938.84**	**2,516.54**
29	**Purchase of Stock-in-Trade**		
	Purchase of goods	5,058.76	17,394.37
	Total	**5,058.76**	**17,394.37**
30	**Changes (Increase) / Decrease in inventories of finished goods, work-in-progress and Stock-in-Trade**		
	Opening stock of finished goods	50.27	627.54
	Opening stock of stock in process	-	-
	Total Opening Stock of finished goods, work-in-progress and Stock-in-Trade	50.27	627.54
	Closing stock of finished goods	525.42	50.27
	Closing stock of stock in process	624.87	-
	Less: Closing stock of finished goods, work-in-progress and Stock-in-Trade	1,150.29	50.27
	Changes (Increase) / Decrease in inventories of finished goods, work-in-progress and Stock-in-Trade	**-1,100.02**	**577.27**
31	**Employee Benefit Expenses**		
	Salaries and wages	648.23	478.27
	Contracted Labour #	181.19	102.73
	Contribution to provident & other funds	46.90	28.48
	Staff Welfare expenses	40.07	16.96
	Total	**916.39**	**626.44**
#	**Labour charges has been regrouped under Employee Benefit expenses as contracted labour charges instead under other expenses.**		
32	**Financial Costs**		
	Interest on term Loan	1.74	1.11
	Interest on Working Capital	74.86	20.74
	Interest on statutory dues	122.36	206.48
	Other Interest	15.02	-
	Bank Charges	19.24	31.66
	Total	**233.23**	**259.99**

Standalone Notes Forming Part of Financial Statements for the year ending 31st March 2020

INR in Lakhs

Note No.	Particulars	Year Ending 31-03-2020	Year Ending 31-03-2019
33	**Other Expenses**		
	Power and Fuel	16.99	11.58
	Rent	72.62	13.51
	Repairs to Machinery	29.25	10.01
	Repairs to Others	7.23	5.59
	Insurance	2.59	3.91
	Rates & Taxes, excluding taxes on income	16.97	8.86
	Legal & Professional Charges*	157.97	86.00
	Freight & Forwarding	11.56	18.87
	Travelling and Conveyance	56.91	46.51
	Communication expenses	39.46	20.44
	Bad Advance written off	0.66	6.85
	Trade receivables written off (Also refer note no 34)	-	1,083.13
	Advertisement & Business promotion	63.91	16.64
	Printing & Stationery	6.63	6.68
	Net Loss on sale, fair valuation of investment through profit and loss	-	34.56
	CSR Expenses	10.33	4.25
	Provision for Warranty	8.56	-
	Miscellaneous Expenses	19.93	19.93
	Total	**521.58**	**1,397.34**

*** Legal and Professional Charges includes Statutory Auditor's Remuneration:-**	**Year ending 31-03-2020**	**Year ending 31-03-2019**
Particulars		
Audit fees	8.00	8.00
Tax Audit fees	2.00	2.00
Total	**10.00**	**10.00**

34	**Exceptional Item**		
	Trade Receivables written off	1,785.07	-
	Bad Advances Written off (Refer Note number: 37.2)	-	2,384.69
	Total	**1,785.07**	**2,384.69**
35	**Other Comprehensive Income**		
	Remeasured Unrealised actuarial gain/loss	-1.49	3.06
	Total	**-1.49**	**3.06**

Note No. 36

a) Contingent Liabilities (to the extent not provided for) *

INR in Lakhs

Particulars	31-03-2020	31-03-2019
Bank guarantees and letters of credit open and outstanding	495.82	239.30
Pending capital commitments (Net of Advances)	-	-

Penalty payable if any for delay in filing returns and payment of dues under Income Tax Act and Goods and Service Tax Act are not ascertainable and will be accounted on determination of the same.

Note No. 37.1

Capital advance of Rs. 769.52 Lakhs (Refer Note No. 9) (31.03.2019 Rs 861.12 Lakhs) is paid for purchase of land and other expenses for setting up of an E-waste plant near Chennai. The Company has later decided not to set up the plant there and initiated steps to recover the advance paid. In the opinion of the management the advance paid will be recovered in cash or in kind and hence no provision is made in the accounts.

Standalone Notes Forming Part of Financial Statements for the year ending 31st March 2020

Note No. 37.2

The company and three Singapore entities arrived at an amicable settlement of disputes including in relation to the Share Purchase Agreement that was executed with Enviro Hub Holdings Limited, Singapore wherein USD 1.25 Million was paid for acquisition of Cimelia at an earlier point of time. With the amicable settlement, the Singapore entities agreed to give up their claim / rights over 92,00,000 Shares of the company that were issued and allotted to them and all monetary claims against company ; and the company agreed to give up claim over the amounts paid to them under the Master Services Agreement aforementioned in addition to giving up claims arising out of the above mentioned Share Purchase Agreement. Company and three Singapore entities have agreed by virtue of the compromise that company will be entitled to undertake requisite steps to cancel / extinguish / annul the allotment of 92,00,000 Shares. Further thereto, compromise petitions were filed in arbitrations leading to the Arbitral Tribunal passing arbitral awards recording the said compromise. Consequent to the same Rs 2384.69 Lakhs accounted as capital advance is written off as bad during the financial year ending 31st March 2019 under exceptional items. Company has obtained approval from the shareholders, observation letters from stock exchanges for reduction of capital and is in the process of filing application with National Company Law Tribunal Bengaluru for their approval.

Note No 37.3

The Company has entered into an agreement for supply of processed e waste, according to which the customer will pay only after completion of supply of an agreed minimum quantity . Trade receivables includes Rs 3675.48 lakhs (Previous year Rs 3902.69 Lakhs) outstanding under this agreement. Company is confident of fulfilling the contractual obligation and recovery of the receivable.

Note No 37.4

Loans and advances includes Rs. 593.97 Lakhs due from a subsidiary whose net worth is negative. Company has also invested Rs 3.50 Lakhs in the capital of this company. As the management of the said company intends to revive its operations no provision is made for impairment.

Note No 37.5

Advance for import of property plant and equipment's /software amounting to Rs. 1065.94 Lakhs is outstanding for more than three years.

Note No 37.6

Other trade receivables Rs. 825.63 Lakhs is outstanding for more than two years

Note No. 38 Operating Lease

The minimum future lease rentals payable in respect of non-cancellable leases entered into by the Company to the extent of minimum guarantee amount are as follows:-

INR in Lakhs

Particulars*	31-03-2020	31-03-2019
Not Less than one year	48.15	15.73
Later than one year but not later than five years	-	5.24
Later than five years	-	-

Expenses recognised in the Statement of Profit and Loss:

INR in Lakhs

Particulars	31-03-2020	31-03-2019
Fixed Rentals	72.62	13.51
Contingent rents	-	-
Total	**72.62**	**13.51**

Note No 39 Income Tax Expenses

Particulars	Year ending 31st March, 2020	Year ending 31st March, 2019
Current tax		
Current tax in taxable income for the year	311.21	1,503.01
Total current tax expense	**311.21**	**1,503.01**
Deferred tax		
Deferred Tax charge/(credit)	44.44	-104.75
MAT credit (taken)/utilized	-	-
Total deferred income tax expense/(benefit)	**44.44**	**-104.75**
Total income tax expenses / (Credit)	**355.65**	**1,398.26**

Standalone Notes Forming Part of Financial Statements for the year ending 31st March 2020

A. Reconciliation of the income tax expenses to the amount computed by applying the statutory income tax rate to the profit before income taxes is summarized below:

Particulars	Year ending 31st March, 2020	Year ending 31st March, 2019
Enacted income tax rate in India applicable to the company	29.120%	29.120%
Profit before tax	870.58	1,504.10
Current tax expense on Profit before tax expenses at the enacted income tax rate in India	253.51	437.99
Tax effect of the amounts which are not deductible /(taxable) in calculating taxable income		
Permanent disallowances	10.59	1,004.12
Income exempted from income taxes	-0.36	-1.11
Other items	47.48	62.01
Total income tax expenses/(Credit)	**311.21**	**1,503.01**

B The movement in deferred tax assets and liabilities **INR in Lakh**

Particulars	As at 31st March 2020		As at 31st March 2019	
	Deferred tax/(liabilities)	Credit/(charge) in statement of Profit and Loss	Deferred tax / (liabilities)	Credit/(charge) in statement of Profit and Loss
Depreciation	-7.28	1.99	-9.28	-1.91
Expenses allowed in the year of payment	70.01	-46.43	116.44	106.65
Sub total	62.72	-44.44	107.16	104.75
Total	**-**	**62.72**	**-**	**107.16**

Note no 40
a) Financial instruments by category:
As at March 31, 2020

INR in Lakhs

Particulars	FVTPL	FVOCI	Amortised Cost	Total Carrying Value
Financial Assets				
Measured at fair value Investments*	20.85	-	-	20.85
Not measured at fair value				
Investments in Subsidiary	-	-	337.06	337.06
Loans and Advances#	-	-	1,235.63	1,235.63
Trade Receivable	-	-	19,813.10	19,813.10
Cash and Cash Equivalents	-	-	1,224.41	1,224.41
Bank Balances other than those included above	-	-	514.44	514.44
Other Financial Assets	-	-	22.46	22.46
Total	**20.85**	**-**	**23,147.09**	**23,167.94**
Financial Liabilities				
Measured at Fair Value	-	-	-	-
Not Measured at Fair value				
Borrowings	-	-	488.81	488.81
Trade Payable	-	-	8,710.41	8,710.41
Other Financial Liabilities	-	-	295.68	295.68
Total	**-**	**-**	**9,494.90**	**9,494.90**

Footnote:

***The above excludes investments in subsidiaries of Rs. 337.06**
#The Company has advanced interest free loan to its subsidiary, but the same has not been recorded at fair value.

Standalone Notes Forming Part of Financial Statements for the year ending 31st March 2020

As at March 31, 2019

INR in Lakhs

Particulars	FVTPL	FVOCI	Amortised Cost	Total Carrying Value
Financial Assets				
Measured at fair value				
Investments*	19.62	-	-	19.62
Not measured at fair value				
Investments in Subsidiary	-	-	337.06	337.06
Loans and Advances#	-	-	1,130.28	1,130.28
Trade Receivable	-	-	26,695.64	26,695.64
Cash and Cash Equivalents	-	-	7,003.01	7,003.01
Bank Balances other than those included above	-	-	523.52	523.52
Other Financial Assets	-	-	17.69	17.69
Total	**19.62**	**-**	**35,707.20**	**35,726.82**
Financial Liabilities Measured at Fair Value	-	-	-	-
Not Measured at Fair value Borrowings	-	-	146.77	146.77
Trade Payable	-	-	15,294.80	15,294.80
Other Financial Liabilities	-	-	279.35	279.35
Total	-	-	15,720.92	15,720.92

b) Fair Value hierarchy

The following table presents the fair value hierarchy of assets and liabilities measured at fair value on a recurring basis,it also includes the financial instruments which are measured at amortised cost for which fair values are disclosed.

As at March 31, 2020

INR in Lakhs

Particulars	Level 1	Level 2	Level 3	Total
Financial assets:				
Measured at fair value				
Investments in Mutual Funds	20.85	-	-	20.85
Not measured at fair value (Refer footnotes)				
Total	**20.85**	**-**	**-**	**20.85**
Financial Liabilities	**-**	**-**	**-**	**-**
Measured at fair value	**-**	**-**	**-**	**-**
Not measured at fair value (Refer footnotes)	**-**	**-**	**-**	**-**
Total	**-**	**-**	**-**	**-**

Standalone Notes Forming Part of Financial Statements for the year ending 31st March 2020

As at March 31, 2019 **INR in Lakhs**

Particulars	Level 1	Level 2	Level 3	Total
Financial assets:				
Measured at fair value				
Investments in Mutual Funds	19.62	-	-	19.62
Not measured at fair value (Refer footnotes)				
Total	**19.62**	**-**	**-**	**19.62**
Financial Liabilities	**-**	**-**	**-**	**-**
Measured at fair value	**-**	**-**	**-**	**-**
Not measured at fair value (Refer footnotes)				
Total	**-**	**-**	**-**	**-**

Footnotes

The Company has not disclosed the fair value of financial instruments such as trade receivables, trade payables, short term loans, deposits etc. because their carrying amounts are a reasonable approximation of fair value.

c) Fair value hierarchy:

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consists of the following three levels:

a) Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices in an active market. This included listed equity instruments, traded debentures and mutual funds that have quoted price. The fair value of all equity instruments (including debentures) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

b) Level 2: Level 2 hierarchy includes financial instruments that are not traded in an active market (for example, traded bonds/ debentures, over the counter derivatives). The fair value in this hierarchy is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2

c) Level 3: If one or more of the significant Inputs is not based on observable market data, the instrument is included in level 3. Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data. Financial instruments such as unlisted equity shares, loans are included in this hierarchy.

d) Inter level transfers: There are no transfers between levels 1 and 2 as also between levels 2 and 3 during the year.

e) Valuation technique used to determine fair value

I) the use of quoted market prices for the equity instruments and Mutual Funds
ii) the fair value of the unlisted shares are determined based on the income approach or the comparable market approach.

f) Reconciliations of level 3 fair values

The following table shows reconciliation from the opening balances to closing balances for Level 3 fair values:

INR in Lakhs

Particulars	Assets
	Equity Instrument
Balance as on April 1, 2019	-
Changes:-	
Nil	-
Balance as on March 31, 2020	-

Standalone Notes Forming Part of Financial Statements for the year ending 31st March 2020

Note No. 41 Financial Risk Management

Risk management framework

The company's activities expose it to market risk including currency risk, interest rate risk, liquidity risk and credit risk.

The company's risk management is carried out by finance department as per the policies approved by the Board of Directors. The board provides principles for overall risk management as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, and investment of short term/long term surplus funds.

A) Market Risk

I) Foreign Currency Risk

Foreign currency risk arises from commercial transactions , assets and liabilities denominated in a currency that is not the Company's functional currency (INR).

The exposure of the Company to foreign currency risk is not significant. However, this is closely monitored by the management to decide on the requirement of hedging. The position of foreign currency exposure to the Company is given below expressed in INR as under

INR in Lakhs

Currency	Receivables	Payables
As on March 31, 2020		
Exposure in US Dollars (USD)	8,086.70	-
As on March 31, 2019		
Exposure in US Dollars (USD)	3,086.70	8.70

ii) Interest Rate Risk

The exposure of the company's borrowing to interest rate changes at the end of the reporting period depends on the mix of fixed rate and floating rate of the borrowings and the expected movement of market interest rate. The status of borrowings in terms of fixed rate and floating rate are as follows:

INR in Lakhs

Details of Borrowings outstanding	31-03-2020	31-03-2019
Variable Rate Borrowings	459.98	128.33
Fixed Rate Borrowings	19.13	10.46
Interest Free Borrowings	15.41	10.00
Total Borrowings	**494.53**	**148.79**

As at the end of the reporting period, the company had the following variable rate borrowings outstanding:

INR in Lakhs

Details of Variable rate borrowings	Weighted Avg. Interest Rate	Outstanding Balance	% of Total Loan
March 31, 2020 Cash Credit from Canara Bank(erstwhile Syndicate Bank)	11.70%	459.98	93.02%
March 31, 2019 Cash Credit from Canara Bank (erstwhile Syndicate Bank)	12.50%	128.33	86.25%

Interest Rate Sensitivity

A change of 50 bps in interest rate would have the following impact on profit before tax

Particulars	2019-20	2018-19
50 bps increase would decrease the profit before tax by	14.71	3.21
50 bps decrease would increase the profit before tax by	- 14.71	-3.21

Standalone Notes Forming Part of Financial Statements for the year ending 31st March 2020

iii) Price Risk

The company's exposure to securities price risk arises from investments held by the company in units of mutual fund classified in the balance sheet at fair value through profit and loss. However, company does not have a practice of investing in market equity securities with a view to earn fair value changes gain. Company has invested in units of mutual funds when short term surplus fund exists with prior approval of the Board . Considering the size of the investment the price/market risk is not significant.

B) Credit Risk

Credit risk arises when a counter party defaults on contractual obligations resulting in financial loss to the company. Trade receivables consist of large number of customers, spread across diverse industries and geographical areas. In order to mitigate the risk of financial loss from defaulters, the Company has an ongoing credit evaluation process in respect of customers who are allowed credit period. In respect of walk-in customers the company does not allow any credit period and therefore, is not exposed to any credit risk. In general, it is presumed that credit risk has significantly increased since initial recognition if the payments are more than 60 days past due.

INR in Lakhs

Details of outstanding trade receivables	Up to 6 Months	More than 6 Months but less than three Years	More than Three Years
As on 31-03-2020	3,823.71	15,651.14	338.25
As on 31-03-2019	14,953.38	10,428.83	1,313.43

Details of allowance debited to Statement of profit and loss

INR in Lakhs

Particulars	YE 31.03.2020	YE 31.03.2019
Trade receivables written off	1,785.07	1,083.13

C) Liquidity Risk

The Company has a liquidity risk management framework for managing its short term, medium term and long term sources of funding vis-à-vis short term and long term utilization requirement. This is monitored through a rolling forecast showing the expected net cash flow, likely availability of cash and cash equivalents, and available undrawn borrowing facilities.

I) Financing arrangements: The position of undrawn borrowing facilities at the end of reporting period are as follows

INR in Lakhs

Floating Rate	31-03-2020	31-03-2019
Cash Credit from Syndicate Bank	340.02	671.67

ii) Maturities of financial liabilities

The table below analyses the company's all financial liabilities into relevant maturity based on their contractual maturities.
The amounts disclosed in the table are the contractual undiscounted cash flows.

Contractual maturities of financial liabilities:

As on March 31, 2020

INR in Lakhs

Financial Liabilities	Not Later than 1 year	Between 1 and 5 years	Later than 5 Years
I) Borrowings	475.39	13.41	-
ii) Trade Payable	8,710.41	-	-
iii) Other Financial Liabilities	295.68	-	-

Standalone Notes Forming Part of Financial Statements for the year ending 31st March 2020

As on March 31, 2019 **INR in Lakhs**

Financial Liabilities	Not Later than 1 year	Between 1 and 5 years	Later than 5 Years
I) Borrowings	138.33	18.35	0.78
ii) Trade Payable	15,294.80	-	-
iii) Other Financial Liabilities	279.35	-	-

D) Impact of COVID-19

The Company has considered the possible effects that may result from COVID-19 on the carrying amounts of financial assets, inventory, receivables, loans and advances, property plant and equipment, intangibles etc as well as liabilities accrued. In developing the assumptions relating to the possible future uncertainties in the economic conditions because of this pandemic, the Company has used internal and external information. Having reviewed the underlying data and based on current estimates, the Company does not expect any material impact on the carrying amount of these assets and liabilities. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements and the Company will continue to closely monitor any material changes to future economic conditions. The Company has also evaluated the impact of the same on the aforementioned risks i.e. credit risk, liquidity risk, market risk, currency risk and interest risk and does not foresee any material impact on account of the same.

Note Number 42 : Capital Management

Capital management objectives of the Company is to safeguard its ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders.

The company's strategy is to maintain a gearing ratio within 20%. The gearing ratios were as follows:

INR in Lakhs

Particulars	31-03-2020	31-03-2019
Debt	494.53	148.79
Equity	23,081.59	22281.21
Net Debt to Equity	2.14%	0.67%

Note No 43 : Related Party Disclosure

a) Related Parties

Name	Nature
Cerebra LPO India Limited	Subsidiary
Cerebra Middle East FZCO	Subsidiary
Kranion Technologies limited	Entity in which KMP or/and his relatives are able to exercises significant influence

b) Key Management Personal

Name	Designation
V. Ranganathan	Managing Director
P. Vishwamurthy	Whole Time Director
Shridhar S Hegde	Whole Time Director
Sureshkumar.T.S	Director
MVS Vasan	Director
P. E. Krishnan	Director
Preethi Javali	Director
S Gopalakrishnan	Director
Riyaz Suterwalla	Director
Bharath P	Relative of a Director
Medha S Hegde	Relative of a Director

Standalone Notes Forming Part of Financial Statements for the year ending 31st March 2020

C) Transaction with Related Parties **INR in Lakhs**

Particulars	Transaction	Year ended 31-Mar-2020	Year ended 31-Mar-2019
V. Ranganathan	Remuneration	25.15	25.15
	Amount received against Issue of share warrants	-	210.00
	Shares Issued	-	280.00
	Loan given	7.02	1.52
	Loan repaid	5.75	1.52
P. Vishwamurthy	Remuneration	25.15	25.15
	Loan given	7.00	-
	Loan repaid	4.00	-
	Shares Forfeited	-	200.00
Shridhar S Hegde	Remuneration	25.15	25.15
	Amount received against Issue of share warrants	-	30.00
	Shares Issued	-	40.00
	Shares Forfeited	-	50.00
	Loan given	29.90	10.62
	Loan repaid	18.77	10.62
Bharath P	remuneration	25.15	25.15
	Loan given	-	1.00
	Loan repaid	-	1.00
Medha S Hegde	Loan given	-	15.00
	Loan repaid	-	15.00
Cerebra Middle East FZCO	Investment made	-	322.56
	Loan Given(Net)	147.00	-
	Capital advance Paid	6,211.30	-
	Loan Repaid(Net)	-	70.31
Cerebra LPO India Limited	Retal Income	-	0.63
	Loan Given(Net)	154.78	171.39
	Loan Repaid(Net)	156.06	174.00
Suresh Kumar.T.S	Loan received	-	10.00
MVS Vasan	Sitting Fees	0.40	-
P. E. Krishnan	Sitting Fees	0.50	-
Preethi Javali	Sitting Fees	0.15	-
S Gopalakrishnan	Sitting Fees	0.60	-
Riyaz Suterwalla	Sitting Fees	0.30	-
Suresh Kumar.T.S	Loan Repaid	10.00	-

d) Balance with Related Parties **INR in Lakhs**

Particulars	31-03-2020	31-03-2019
Cerebra LPO India Limited		
a) Investment	3.50	3.50
b) Balance Receivable	593.97	595.25
Cerebra Middle East FZCO		
a) Investment	333.56	333.56
b) Balance Receivable	340.00	167.22
c) Capital Advance	6,598.82	387.52
d) Project Advance	-	-
Payable to Directors	-	-
V. Ranganathan	2.85	1.58
Shridhar S Hegde	12.71	1.58
P. Vishwamurthy	4.58	1.58
Preethi Javali	0.14	-
Riyaz Suterwalla	0.21	-
Suresh Kumar.T.S	-	10.00
Payable to Bharath P	1.58	-

Standalone Notes Forming Part of Financial Statements for the year ending 31st March 2020

Note No 44:- Employee Benefits

Gratuity

I) Changes in present value of obligation **INR In lakhs**

Particulars	Year ended 31st March 2020	Year ended 31st March 2019
Present Value of Funded Obligation	-	-
Fair Value of plan asset	-	-
Net Fund Obligation	-	-
Present Value of unfunded defined benefit obligation	62.67	51.97
Amounts not recognised due to asset limit	-	-
Net defined liability/(asset) recognised in balance sheet	62.67	51.97
Net defined liability/(asset) Bifurcated as follows	-	-
Current Liability	18.18	17.41
Non-current Liability	44.48	34.56

ii) Expenses to be recognised in Statement of profit or loss account **INR In lakhs**

Particulars	Year ended 31st March 2020	Year ended 31st March 2019
Current Service Cost	6.99	6.75
Past Service Cost	-	-
Administration Expenses	-	-
Interest on net defined benefit liability/(Asset)	3.31	3.00
(Gain)/Losses on settlement	-	-
Total expenses to be charged to profit or loss account	10.30	9.75

iii) Amount recorded in Other Comprehensive Income

Particulars	Year ended 31st March 2020	Year ended 31st March 2019
Opening amount recognized in OCI outside profit and loss account	-1.46	1.60
Remeasurements during the period due to		
Changes in financial assumptions	3.59	0.33
Changes in demographic assumptions	-	-0.00
Experience adjustments	-2.11	-3.39
Actual return on plan assets less interest on plan assets	-	-
Adjustment to recognize the effect of asset ceiling	-	-
Closing amount recognized in OCI outside profit and loss account	**0.03**	**-1.46**

iv) Movement in Benefit Obligation

Particulars	Year ended 31st March 2020	Year ended 31st March 2019
Opening of defined benefit obligation	51.97	45.39
Current service cost	6.99	6.75
Past service cost	-	-
Interest on defined benefit obligation	3.31	3.00
Remeasurements due to:		
Actuarial loss / (gain) arising from change in financial assumptions	3.59	0.33
Actuarial loss / (gain) arising from change in demographic assumptions	-	-0.00
Actuarial loss / (gain) arising on account of experience changes	-2.11	-3.39
Benefits paid	-1.09	-0.12
Liabilities assumed / (settled)*	-	-
Liabilities extinguished on settlements	-	-
Closing of defined benefit obligation	**62.67**	**51.97**

Standalone Notes Forming Part of Financial Statements for the year ending 31st March 2020

v) Key Assumptions

Particulars	Year ended 31st March 2020	Year ended 31st March 2019
Discount Rate(p.a.)	6.40%	7.65%
Salary Escalation Rate(p.a.)	7.00%	7.00%
Demographic Assumptions		
Retirement Age	58	58
Morality Table	Indian Assured Lives Morality Table(2012-14)	Indian Assured Lives Morality Table(2012-14)
Leaving service rates		
Age		
21-30	15%	15%
31-44	10%	10%
35-44	5%	5%
45-50	3%	3%
51-54	2%	2%
55-57	1%	1%

Note No 45: Segment Reporting

Particulars	31.03.2020	31.03.2019
Segment Revenue		
a. Hardware including trading of refurbished computer accessories	5,556.03	21,970.16
b. Ewaste Powdering and Refining Division	4,429.90	4,135.21
Total	**9,985.93**	**26,105.37**
Less Inter segment revenue	-	-
Net sales/Income from Operations	**9,985.93**	**26,105.37**
Segment Results		
a. Hardware including trading of refurbished computer accessories	-1,208.94	2,677.08
b. Ewaste Powdering and Refining Division	2,312.75	1,471.70
Total	**1,103.80**	**4,148.77**
Less I. Interest	233.23	259.99
Add ii. Other Un-allocable Expenditure Net of Un-allocable income	-	-
Profit before Tax (before other comprehensive income)	**870.58**	**3,888.79**
Segment Assets		
a. Hardware including trading of refurbished computer accessories	17,893.32	35,049.95
b. Ewaste Powdering and Refining Division	16,783.32	5,036.27
Segment Liabilities		
a. Hardware including trading of refurbished computer accessories	5,554.08	17,010.94
b. Ewaste Powdering and Refining Division	6,040.96	645.27

Standalone Notes Forming Part of Financial Statements for the year ending 31st March 2020

Note No 46 : Confirmation of balance is not received for trade receivables amounting Rs. 8805.70 Lakhs,trade payables amounting Rs. 3771.95 lakhs and advances amounting Rs 2059.19 Lakhs

Note No 47 : Earnings Per Share

Sl No	Particulars	Year ended 31st March 2020	Year ended 31st March 2019
A)	**Basic Earnings Per Share**		
	Profit after tax	652.64	105.84
	Weighted number of equity shares considered for calculation of basic earnings per share	12,11,96,632	12,06,07,852
	Earnings Per share- Basic	0.54	0.09
B)	**Diluted Earnings per share**		
	Profit after tax	652.64	105.84
	Adjustments	-	-
	Diluted Earnings	652.64	105.84
	Weighted number of equity shares considered for calculation of diluted earnings per share	12,11,96,632	12,06,07,852
	Earnings Per share- Diluted	0.54	0.09

Note No 48: Figures in bracket relates to previous year.

As per our attached report of even date

For Ishwar & Gopal
Chartered Accountants

K.V. Gopalakrishnayya
Partner
Membership No. : 021748
Firm registration No. : 001154S

Place : Bengaluru
Dated: 27th July 2020
UDIN: 20021748AAAALZ1160

For and on behalf of the Board

V. Ranganathan	Shridhar S Hegde	Nutan Soudagar
Managing Director	Whole Time Director & CFO	Company Secretary

Independent Auditor's Report

To the Members of Cerebra Integrated Technologies Limited

Report on the Audit of the Consolidated Financial Statements

Qualified Opinion

We have audited the accompanying consolidated financial statements of Cerebra Integrated Technologies Limited (the Holding Company) and its subsidiaries (The Holding Company and its subsidiaries together referred as 'the Group') , which comprise the Consolidated Balance Sheet as at 31stMarch 2020, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the 'Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under Section 133 of the Act, of the consolidated state of affairs (financial position) of the Company as at 31 March 2020, and its consolidated profit (financial performance including other comprehensive income), its consolidated cash flows and the consolidated changes in equity for the year ended on that date.

Basis of Qualified Opinion

Holding Company has not maintained proper inventory records in its e- waste division. We have been informed that valuation of inventories of the said division as on 31st March 2020 is made based on the quantitative reconciliation of materials issued for and generated on processing based on theoretical standards and actual quantity of goods sold. Value of e waste division inventories considered in the financial statement as at 31st March 2020 amounted to Rs 624.87 Lakhs. Owing to the nature of inventory and in the absence of sufficient audit evidence we are unable to ascertain the correctness of the valuation and ascertain its consequent impact, if any, on the Ind AS consolidated financial statements.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our audit addressed the key audit matter
Impact of trade receivables and advances amounting Rs 18765.07 Lakhs outstanding for substantial period on Going concern. Trade receivables and advances outstanding for substantial period amounted 63.75 % of the net worth of the Group. Hence we identified impact of these receivables on the going concern as a key audit matter.	Our audit procedures included review of fulfilment/ability to fulfil the balance contractual obligations of the Group, subsequent realisation, confirmation of balances obtained from the parties and steps initiated by the Group to collect theses dues. To the extent not realised till date is also reported in the para “Emphasis of matter”.

Information other than the Financial Statements and Auditor's Report thereon

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the auditor otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there isa material misstatement of this other information, we are required to report that fact. We have nothing to report inthis regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated state of affairs (consolidated financial position), consolidated profit or loss (consolidated financial performance including other comprehensive income),consolidated changes in equity and consolidated cashflows of the Group in accordance with the accounting principles generally accepted in India, including the Ind AS specified under Section 133 of the Act. The Holding Company's Board of Directors is also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of consolidated Ind AS financial statements. Further, in terms of the provisions of the Act, the respective Board of Directors /management of the companies included in the Group covered under the Act are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. These financial statements have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain Professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(I) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system

in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with the all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication

Other Matter

We did not audit the financial statements of a subsidiary whose financial statements/ consolidated financial information reflect total assets of Rs.18018.56 Lakhs /- as at March 31, 2020, total revenues of Rs. 8185.48 lakhs, total net profit after tax of Rs.572.69 Lakhs and total comprehensive income of Rs. Nil for the year ended on that date as considered in the consolidated financial results. These financial statements/consolidated financial statements / consolidated financial information have been audited by another auditor whose reports have been furnished to us by the Management and our opinion on the consolidated financial results, in so far as it relates to the amounts and disclosures included in respect of the said subsidiary is based solely on the reports of the other auditor.

Our opinion on the Statement is not modified in respect of the above matter with respect to our reliance on the work done and the reports of other auditor.

Emphasis of Matter

We draw attention to the following matters reported in the notes to consolidated financial statements relating to:

1. Advances and receivables outstanding for substantial period for which no provision is made as the management is confident of recovering the same either in cash or in kind.
   a. Loans and advances include Rs 769.52 Lakhs (Rs. 861.12 Lakhs) advanced for purchase of an immovable property. Refer Note No. 37.1 to the consolidated financial statement.
   b. Advance for import of property plant and equipment's /software amounting to Rs.1065.94 lakhs. Refer Note No. 37.4 to the consolidated financial statement.
   c. Trade receivables of Rs 3675.48 Lakhs (Previous year Rs. 3902.69) of e waste division wherein recovery is linked with balance supply of minimum quantity.-Refer Note No. 37.3 to the consolidated financial statement.
   d. Other trade receivables of Rs. 3106.55 Lakhs -Refer Note No. 37.5 to the consolidated financial statement.
2. Confirmation of balance is not received for trade receivables amounting Rs. 19065.05Lakhs,trade payables amounting Rs. 5740.74 lakhs and advances amounting Rs 2059.19 Lakhs -Refer Note 46.
3. The statutory auditors of Cerebra Middle East FZCO, a subsidiary of the Company reported that bank balance of Rs. 65.72 Lakhs & Loans and Borrowings of Rs. 391.23 of the said company are subject to direct confirmation. In the absence of direct confirmation, they are unable to ascertain provision for accrued interest/ contingent liabilities outstanding as at the balance sheet date. Further, the personal guarantees and securities provided to the banks against facilities and loans are disclosed as per the management representations provided to them.

Our opinion is not modified in respect of the above matter.

Report on Other Legal and Regulatory Requirements:

A. As required by Section 143 (3) of the Act, based on our audit and on the consideration of the reports of the other auditors on separate financial statements / consolidated financial statements and other financial information of the subsidiaries we report, to the extent applicable, that:
   a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
   b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;
   c. the consolidated financial statements dealt with by this report are in agreement with the books of account;
   d. in our opinion, the aforesaid consolidated financial statements comply with Ind AS specified under Section 133of the Act;
   e. On the basis of the written representations received from the directors of the Holding Company and taken on record by the Board of Directors of the Holding Company and the reports of the other statutory auditors of its subsidiary company covered under the Act, none of the directors of the Group companies and its Subsidiary Company , covered under the Act, are disqualified as on 31 March 2020 from being appointed as a director in terms of Section 164(2) of the Act;
   f. With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company, and its subsidiary company, covered under the Act, and the operating effectiveness of such controls, refer to our separate report in 'Annexure A';
   g. With respect to the other matters to be included in the Auditor's Report in accordance with rule 11of the Companies (Audit and Auditors) Rules, 2014(as amended), in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements /consolidated financial statements as also the other financial information of the subsidiaries:
      i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group
      ii. Provision has been made in these consolidated financial statements, as required under the applicable law or Ind AS, for material foreseeable losses, on long-term contracts. We have been informed that the company has not entered into any derivative contracts;
      iii. The Holding Company or its subsidiaries were not required to transfer any amount to the Investor Education and Protection Fund during the year under review.
      iv. The disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to these consolidated financial statements. Hence, reporting under this clause is not applicable.
   h. Report under section 197(16):In our opinion and according to the information and explanations given to, the remuneration paid during the year under review by the Holding Company to its directors is in accordance with the provisions of section 197 of the Act and is not in excess of the limit laid down under section 197 of the Act. As per the information furnished to us, the Indian subsidiary has not paid any remuneration to its directors during the year under review. The Ministry of Corporate Affairs has not prescribed other details under section 197(16) which are required to be commented upon by us.

For Ishwar and Gopal,
Chartered Accountants,
FRN: 001154S

K V Goplakrishnayya
Partner
MRN 021748

UDIN: 20021748AAAAMC2055
Date: 27th July 2020
Place: Bangalore

Annexure - A To The Independent Auditor's Report Of Even Date to The Members Of Cerebra Integrated Technologies Limited On The Consolidated Financial Statements for the Year Ended 31 March 2020

Report on the Internal Financial Controls over financial reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act")

In conjunction with our audit of the consolidated financial statements of the Cerebra Integrated Technologies Limited (the 'Holding Company') and its subsidiary incorporated in India (the Holding Company and its subsidiaries together referred to as the 'Group'),as at 31 March 2020, we have audited the internal financial controls over financial reporting ('IFCoFR') of the Holding Company, its subsidiary company incorporated in India, which are companies covered under the Act, as at that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company, and its subsidiary company incorporated in India, which are companies covered under the Act, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the 'Guidance Note') issued by the Institute of Chartered Accountants of India (the 'ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the company's business, including adherence to the company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the IFCoFR of the Holding Company, its subsidiary company incorporated in India, as aforesaid, based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI and deemed to be prescribed under Section143(10) of the Act, to the extent applicable to an audit of IFCoFR, and the Guidance Note issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate IFCoFR were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the IFCoFR and their operating effectiveness. Our audit of IFCoFR includes obtaining an understanding of IFCoFR, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the IFCoFR of the Holding Company, and its subsidiary company incorporated in India.

Meaning of Internal Financial Controls over Financial Reporting

A company's IFCoFR is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's IFCoFR include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the asset of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Adverse Opinion

According to the information and explanation given to us and based on our audit, the following material weakness has been identified as at 31st March 2020.

The holding companies and its subsidiary company incorporated in India internal financial control over advance payment for purchase of fixed assets, customer acceptance, credit evaluation and establishing customer credit limit for sales, and inventory records/controls of the e waste division were not operating effectively which could potentially impact on recognition of revenue/expenses / assessment of impairment provisions / variation in valuation of inventories .

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

In our opinion, except for the possible effects of the material weaknesses described above on the achievement of the objectives of the control criteria, the Company has maintained adequate and effective internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as of March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

We have considered the material weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2020, consolidated financial statements of the Company, and the same is reported under emphasis of matters in our audit report of even date.

For Ishwar & Gopal,
Chartered Accountants
Registration No: 001154S

K V Gopalakrishnayya
Partner
Membership No. 021748

Bangalore, Dated: 27th July 2020
UDIN: 20021748AAAAMC2055

Cerebra Integrated Technologies Limited

Consolidated Balance Sheet as on 31st March 2020

INR in Lakhs

Particulars	Note No	31-03-2020	31-03-2019
Assets			
Non-current assets			
Property, plant and equipment	3A	893.26	866.22
Intangible asset	3B	20.93	-
Capital work In progress	3C	6,827.33	29.06
Intangible asset under development		-	9.69
Financial assets			
I) Investments		20.85	19.62
ii) Trade receivables	5	5,200.31	-
iii) Loans and advances	6	163.61	209.25
iv) Other financial assets	7	22.46	17.69
Deferred tax assets(Net)	8	62.72	107.16
Other non current assets	9	1,912.15	2,528.00
Current assets			
Inventories	10	1,212.46	384.91
Financial assets			
i) Trade receivables	11	24,872.13	33,888.27
ii) Cash and cash equivalents	12	1,290.68	7,017.43
iii) Bank balances other than (ii) above	13	539.91	639.01
iv) Loans and advances	14	151.27	144.40
Other current assets	15	1,635.78	698.07
Total assets		**44,825.86**	**46,558.78**
Equity and liabilities			
Equity			
(a) Equity share capital	16	12,119.66	12,119.66
(b) Other equity	17	17,317.51	14,746.87
Non Controlling Interest		650.19	574.48
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	18	54.61	64.37
Provisions	19	50.33	37.42
Current liabilities			
Financial liabilities			
I) Borrowings	20	862.62	211.85
ii) Trade payable	21		
a) Total outstanding dues of micro enterprise and small enterprise		5.11	93.49
b) Total outstanding dues of creditors other than micro enterprise and small enterprise		10674.09	16,292.91
iii) Other financial liabilities	22	381.73	329.54
Provisions	23	42.24	39.65
Other current liabilities	24	1,050.21	473.54
Current tax liabilities (Net)	25	1,617.57	1,575.00
Total equity and liabilities		**44,825.86**	**46,558.78**

See accompanying notes to financial statements 1 to 47

As per our attached report of even date

For Ishwar & Gopal
Chartered Accountants

K.V. Gopalakrishnayya
Partner
Membership No. : 021748
Firm registration No. : 001154S

Place : Bengaluru
Dated: 27th July 2020
UDIN: 20021748AAAAMA9200

For and on behalf of the Board

V. Ranganathan	**Shridhar S Hegde**	**Nutun Soudagar**
Managing Director	Whole Time Director & CFO	Company Secretary

Cerebra Integrated Technologies Limited

Consolidated Statement of Profit or loss for the Year Ended 31st March 2020

INR in Lakhs

Particulars	Note No	For the Year ended 31-03-2020	For the Year ended 31-03-2019
Income			
Revenue from operations	26	18,199.91	38,523.33
Other income	27	267.79	582.29
Total Income		**18,467.70**	**39,105.62**
Expenses			
Cost of material consumed	28	1,938.84	2,516.54
Purchase of Stock in Trade	29	12,105.24	27,932.80
Changes in inventories of work in progress, Stock in Trade and finished goods	30	-1,119.91	575.23
Employee benefits expense	31	1,329.82	1,006.16
Finance costs	32	309.03	375.82
Depreciation and amortisation expense	3	33.97	37.66
Other Expenses	33	647.78	2,296.45
Total Expenses		**15,244.76**	**34,740.66**
Profit before exceptional items and tax		**3,222.94**	**4,364.96**
Exceptional Item	34	1,785.07	2,384.69
Profit before tax		**1,437.88**	**1,980.27**
Income tax Expenses			
a) Current tax		311.64	1,504.33
b) Prior Period Tax Expenses		-138.15	-
c) Deferred tax		44.44	-104.75
Total tax expenses		**217.94**	**1,399.58**
Profit for the year		**1,219.94**	**580.69**
Other Comprehensive Income			
Items that will not be reclassified to profit or loss	35	-1.49	3.06
Income Tax relating to above		-0.43	1.06
Total other comprehensive Income		**-1.06**	**2.00**
Total Comprehensive Income		**1,218.88**	**582.68**
Profit for the year attributable to			
a) Shareholders of the company		1,144.24	440.09
b) Non- Controlling Interest		75.70	140.60
Other comprehensive income Attributable to			
a) Shareholders of the company		-1.06	2.00
b) Non- Controlling Interest		-	0.00
Total comprehensive income Attributable to			
a) Shareholders of the company		1,143.18	442.09
b) Non- Controlling Interest		75.70	140.60
Earnings per Equity share of Rs. 10/- Each			
Basic		0.94	0.32
Diluted		0.94	0.32

See accompanying notes to Financial Statements 1 to 47

As per our attached report of even date

For and on behalf of the Board

For Ishwar & Gopal
Chartered Accountants

K.V. Gopalakrishnayya	**V. Ranganathan**	**Shridhar S Hegde**	**Nutun Soudagar**
Partner	Managing Director	Whole Time Director & CFO	Company Secretary

Membership No. : 021748
Firm registration No. : 001154S

Place : Bengaluru
Dated: 27th July 2020
UDIN: 20021748AAAAMA9200

Cerebra Integrated Technologies Limited

Consolidated Cash flow Statement for the Year Ended 31st March 2020

INR in Lakhs

Particulars	2019-20		2018-19	
	Rs.	Rs.	Rs.	Rs.
A. Cashflow from operating activities				
Net profit before tax		1,437.88		1,980.28
Adjustments for:				
Depreciation(net)	33.97		37.66	
Interest expenditure	278.31		335.47	
Interest income	-157.46		-36.30	
Excess provision/unclaimed credit withdrawn	-3.33		-4.15	
Trade receivables written off	1,785.07		1,083.13	
Profit on sale of investments	-		-37.76	
Dividend Income	-1.23		-3.82	
Provision for allowance	1.36		682.15	
Bad Advances Written off	-0.71		2,405.81	
Profit on sale of assets		1,935.98	-1.60	4,460.58
Operating profit/(Loss) before working capital changes		3,373.86		6,440.86
Adjustments for changes in :				
Decrease/(increase) in inventories	-827.55		1,105.93	
Decrease/(increase) in trade & other receivable	1,741.17		-16,662.71	
Decrease/(increase) in trade & other payables	-5,052.93		7,817.41	
		-4,139.30		-7,739.37
Cash generated from operations		-765.45		-1,298.51
Less: Income tax paid(net of refund)		234.62		656.99
Net cashflow from operating activities		**-1,000.07**		**-1,955.49**
B. Cashflow from investing activities				
Interest income	157.46		32.33	
Investment in fixed deposits	99.10		-101.83	
Redemption /(Investment) in mutual funds(Net)	0.00		1,455.79	
Purchase of fixed assets including capital WIP	-6,870.52		-40.96	
Net cash flow from investing activities		**-6,613.96**		**1,345.33**
C. Cashflow from Financing activities				
Increase(decrease) in borrowings	309.36		-48.76	
Amount received towards share capital, security premium and share warrants	-		240.00	
Interest paid	-181.20		-189.48	
Net cash flow from financing activities		**128.16**		**1.76**
D. Cash in currency Fluctuation reserve arising due to consolidation		**1,427.46**		**513.24**
Net increase/(Decrease) in Cash & Cash equivalents (A+B+C)		**-6,058.41**		**-95.16**
Cash &Cash equivalents				
Opening balance		6,889.11		6,984.27
Closing balance		830.70		6,889.11
Net increase/Decrease in cash and cash equivalents		**-6,058.41**		**-95.16**

See accompanying notes to Financial Statements

As per our attached report of even date **For and on behalf of the Board**

For Ishwar & Gopal
Chartered Accountants

K.V. Gopalakrishnayya	**V. Ranganathan**	**Shridhar S Hegde**	**Nutun Soudagar**
Partner	Managing Director	Whole Time Director & CFO	Company Secretary

Membership No. : 021748
Firm registration No. : 001154S

Place : Bengaluru
Dated: 27th July 2020
UDIN: 20021748AAAAMA9200

Cerebra Integrated Technologies Limited

Consolidated Statement of Changes In Equity

A) Equity Share Capital

Equity shares of INR 10 each issued, subscribed and fully paid	Amount	INR in Lakhs
On 31st March 2018	**12,03,86,482.00**	**12,039.66**
Issue during the year	8,00,000	80.00
Balance at March 31,2019	**12,11,86,482.00**	**12,119.66**
Issue during the year	-	-
Balance at March 31,2020	**12,11,86,482.00**	**12,119.66**

B) Other equity **INR In Lakhs**

Particulars	Other Equity			Other Comprehensive Income (Other than changes in Translation reserve)	Other Comprehensive Income (Changes in Translation reserve)	Application money received towards share warrants	Total
	Securities premium	Capital reserve	Retained earnings				
Balance at April 1, 2018	**9,479.72**	**226.77**	**3,199.32**	**1.53**	**177.54**	**530.00**	**13,437.34**
Profit for the year/Additions during the Year	256.65	-	440.09	-	-	-	1,146.74
Shares warrants forfeited	-	450.00	-	-	-	-450.00	-450.00
Issue of share capital	-	-	-	-	-	-80.00	-80.00
Re-measurement gains/(Losses) on defined benefit plans, net of tax	-	-	-	2.00	-	-	2.00
Foreign translation Difference	-	-	-	-	513.24	-	-
Balance as at March 31, 2019	**9,736.37**	**676.77**	**3,639.41**	**3.53**	**690.78**	**-**	**14,746.87**
Profit for the year/Additions during the Year	-	-	1,144.24	-	-	-	-
Shares warrants forfeited	-	-	-	-	-	-	-
Issue of share capital	-	-	-	-	-	-	-
Re-measurement gains/(Losses) on defined benefit plans, net of tax	-	-	-	-1.06	-	-	-
Foreign translation Difference	-	-	-	-	1,427.46	-	-
Balance as at March 31, 2020	**9,736.37**	**676.77**	**4,783.65**	**2.47**	**2,118.24**	**-**	**17,317.51**

See accompanying notes to the financial statements

As per our attached report of even date

For and on behalf of the Board

For Ishwar & Gopal
Chartered Accountants

K.V. Gopalakrishnayya
Partner
Membership No. : 021748
Firm registration No. : 001154S

V. Ranganathan
Managing Director

Shridhar S Hegde
Whole Time Director & CFO

Nutun Soudagar
Company Secretary

Place : Bengaluru
Dated: 27th July 2020
UDIN: 20021748AAAAMA9200

Note 1: Corporate Information

Cerebra Integrated Technologies Limited (Holding company) is a public limited Company, incorporated in India having its Registered Office at S-5, Off 3rd Cross, Peenya Industrial Area, Peenya1st Stage Bangalore - 560 058. Cerebra Group consists of the Holding company and two subsidiaries namely Cerebra LPO Limited and Cerebra Middle East FZCO.

The Group is engaged in e waste recycling, refining and refurbishment, electronic manufacturing services, trading in computer systems and peripherals and IT infrastructure management. The financial statements for the year ended March 31, 2020 were approved by the Board of Directors and authorised for issue on July 27th, 2020.

Note 2: Basis of Preparation, Critical Accounting Estimates and Judgements, Significant Accounting Policies and Recent Accounting Pronouncements.

A. Basis of preparation

i. These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ('Act') read with of the Companies (Indian Accounting Standards) Rules,2015 as amended and other relevant provisions of the Act. The accounting policies are applied consistently to all the periods presented in the financial statements.

ii. Convention:

These financial statements have been prepared on a historical cost basis, except for certain financial instruments which are measured at fair value at the end of each reporting period. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

iii. Principles of consolidation:

The consolidated financial statements relate to Cerebra Integrated Technologies Limited ("the Company") and its subsidiary Companies. The consolidated financial statements are prepared on the following basis:

(a) The financial statements of the Company and its subsidiaries are combined on a line by line basis by adding together like items of assets, liabilities, equity, incomes, expenses and cash flows, after fully eliminating intra-group balances and intra-group transactions.

(b) Profit or losses resulting from intra-group transactions that are recognised in assets, such as inventory and property, plant and equipment, are eliminated in full.

© In case of foreign subsidiaries, revenue items are consolidated at the average rate prevailing during the year. All assets and liabilities are converted at rates prevailing at the end of the year. Any exchange difference arising on consolidation is recognised in the Foreign Currency Translation Reserve.

(d) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary.

(e) The difference between the proceeds from disposal of investment in subsidiaries and the carrying amount of its assets less liabilities as on the date of disposal is recognised in the Consolidated Statement of Profit and Loss being the profit or loss on disposal of investment in subsidiary.

(f) Non-controlling Interest's share of profit/loss of consolidated subsidiaries for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to shareholders of the Company.

(g) Non-controlling Interest's share of net assets of consolidated subsidiaries is identified and presented in the Consolidated Balance Sheet separate from liabilities and the equity of the Company's shareholders.

B. Critical accounting estimates and judgements:

The preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS requires management to make judgements, estimates and assumptions, that affect the reported balances of assets and liabilities, disclosures relating to contingent liabilities as at the date of the financial statements and the reported amounts of income and expenses for the years presented. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements pertain to:

i. Useful lives of property, plant and equipment and intangible assets: The Group has estimated useful life of each class of assets based on the nature of assets, the estimated usage of the asset, the operating condition of the asset, past history of replacement, anticipated technological changes, etc. The Company reviews the useful life of property, plant and equipment and Intangible assets as at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

ii. Impairment testing: Property, plant and equipment and Intangible assets that are subject to amortisation/ depreciation are tested for impairment when events occur or changes in circumstances indicate that the recoverable amount of the cash generating unit is less than its carrying value. The recoverable amount of cash generating units is higher of value-in-use and fair value less cost to sell. The calculation involves use of significant estimates and assumptions which includes turnover and earnings multiples, growth rates and net margins used to calculate projected future cash flows, risk-adjusted discount rate, future economic and market conditions.

iii. Impairment of investments: The Group reviews its carrying value of investments carried at cost or amortised cost annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.

iv. Income Taxes: Deferred tax assets are recognized to the extent that it is regarded as probable that deductible temporary differences can be realized. The Group estimates deferred tax assets and liabilities based on current tax laws and rates and in certain cases, business plans,

including management's expectations regarding the manner and timing of recovery of the related assets. Changes in these estimates may affect the amount of deferred tax liabilities or the valuation of deferred tax assets and thereby the tax charge in the Statement of Profit or Loss. Provision for tax liabilities require judgements on the interpretation of tax legislation, developments in case law and the potential outcomes of tax audits and appeals which may be subject to significant uncertainty. Therefore the actual results may vary from expectations resulting in adjustments to provisions, the valuation of deferred tax assets, cash tax settlements and therefore the tax charge in the Statement of Profit or Loss.

v. Litigation: From time to time, the Group is subject to legal proceedings the ultimate outcome of each being always subject to many uncertainties inherent in litigation. A provision for litigation is made when it is considered probable that a payment will be made and the amount of the loss can be reasonably estimated. Significant judgement is made when evaluating, among other factors, the probability of unfavourable outcome and the ability to make a reasonable estimate of the amount of potential loss. Litigation provisions are reviewed at each accounting period and revisions made for the changes in facts and circumstances.

vi. Fair value measurement of financial instruments: The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. This involves significant judgements in selection of a method in making assumptions that are mainly based on market conditions existing at the Balance Sheet date and in identifying the most appropriate estimate of fair value when a wide range of fair value measurements are possible.

C. Significant Accounting Policies

1. Revenue Recognition:

(i) Income from operations:

. Revenue from sales of goods or rendering of services is net of Indirect taxes, returns and discounts. Revenue from rendering of the service is recognised provided pervasive evidence of an arrangement exists, rates are fixed or are determinable and collectability is reasonably certain

(ii) Interest income:

Interest income is accrued on a time proportion basis using the effective interest rate method.

(iii) Dividend

Dividend income is recognized when the Group's right to receive the amount is established.

2. Employee Benefits.

(i) Provident Fund

The eligible employees of the Group are entitled to receive benefits under the provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary (currently 12% of employees' salary), which is recognised as an expense in the Statement of Profit and Loss during the year. The contributions as specified under the law are paid to the respective Regional Provident Fund Commissioner.

(ii) Gratuity Fund

The Employee Payment of Gratuity Act, provides for lump sum payment to vested employees on retirement, death or termination of employment of an amount based on the respective employee's last drawn salary and tenure of employment. The Group accounts for the net present value of its obligations for gratuity benefits, based on an independent actuarial valuation, determined on the basis of the projected unit credit method, carried out as at the Balance Sheet date. Actuarial gains and losses are recognised immediately in the Other Comprehensive Income and reflected in retained earnings and will not be reclassified to the Statement of Profit and Loss.

(iii) Compensated Absences

Liability for compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised based on actuarial valuation.

(iv) Short Term Obligations

The costs of all short-term employee benefits (that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service) are recognised during the period in which the employee renders the related services.

3. Property, Plant and Equipment:

Property, plant and equipment are stated at cost, less accumulated depreciation (other than freehold land) and accumulated impairment losses, if any. All property, plant and equipment are initially recorded at cost. On transition to Ind AS, the Group has elected to continue with the carrying value of all of its property, plant and equipment recognized as of April 1, 2016 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

Cost initially recognised includes the acquisition cost or the cost of construction, including duties and non-refundable taxes, expenses directly related to bringing the asset to the location and condition necessary for making them operational for their intended use and, in the case of qualifying assets, the attributable borrowing costs.

Subsequent expenditure relating to property, plant and equipment is capitalised only when it is probable that future economic benefits associated with these will flow to the Group and the cost of the item can be measured reliably.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Depreciation is charged to Statement of Profit and Loss so as to expense the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight line method.

The assets' useful lives and residual values are reviewed at the Balance Sheet date and the effect of any changes in estimates are accounted for on a prospective basis.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the Statement of Profit and Loss.

Capital work in progress represents projects under which the property, plant and equipment are not yet ready for their intended use and are carried at cost determined as aforesaid.

4. Intangible Assets:

Intangible assets are initially measured at acquisition cost including any directly attributable costs of preparing the asset for its intended use.

Intangible assets with finite lives are amortized over their estimated useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. Intangible Assets with indefinite useful lives are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

An intangible assets is derecognized on disposal, or when no future economic benefits are expected to arise from continued use of the asset. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognized in the Statement of Profit and Loss when the asset is derecognized.

5. Impairment of assets:

Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in the Statement of Profit and Loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in Statement of Profit and Loss.

6. Foreign Currency Translation:

(i) Initial Recognition

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

(ii) Subsequent Recognition

As at the reporting date, non-monetary items which are carried at historical cost and denominated in a foreign currency are reported using the exchange rate at the date of the transaction. All non-monetary items which are carried at fair value denominated in a foreign currency are retranslated at the rates prevailing at the date when the fair value was determined.

Income and expenses in foreign currencies are recorded at exchange rates prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities are translated at the exchange rate prevailing on the balance sheet date and exchange gains and losses arising on settlement and restatement are recognised in the Statement of Profit and Loss.

7. Assets taken on lease:

A Lease in which a significant portion of the risks and rewards of ownership are not transferred to the Company and the agreement is for a period of less than twelve months is classified as operating lease. Payments made under operating lease are charged to the Statement of Profit and Loss on a straight-line basis over the period of the lease.

8. Inventories:

Inventories are carried at the lower of cost (computed on a Weighted Average basis) or net realisable value. Cost in e - waste division is allocated to service income and sale of products generated from processing in proportion to estimated revenue.Cost includes the fair value of consideration paid including duties and taxes (other than those refundable), inward freight, and other expenditure directly attributable to the purchase. (Also refer Note 10)

9. Income Taxes and Deferred Taxes:

(i) Current tax:

Current tax expenses are accounted in the same period to which the revenue and expenses relate. Provision for current income tax is made for the tax liability payable on taxable income after considering tax allowances, deductions and exemptions determined in accordance with the applicable tax rates and the prevailing tax laws.

(ii) Deferred tax:

Deferred income tax is recognised using the balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in financial statements. Deferred income tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised.

Deferred tax liabilities are generally recognized for all taxable temporary differences except in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each Balance Sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred income tax asset to be utilised.

10. Provisions and contingent liabilities:

Provisions are recognised when the Group has a binding present obligation. This may be either legal because it derives from a contract, legislation or other operation of law, or constructive because the Group created valid expectations on the part of third parties by accepting certain responsibilities. To record such an obligation it must be probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made for the amount of the obligation.

Contingent liabilities are disclosed in respect of possible obligations that arise from past events but their existence will be confirmed by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company or where any present obligation cannot be measured in terms of future outflow of resources or where reliable estimate of the obligation cannot be made.

11. Borrowing Costs:

General and specific borrowing costs directly attributable to the acquisition or construction of qualifying assets that necessarily takes a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Borrowing costs consist of interest and other costs that the company incurs in connection with the borrowing of funds.

12. Statement of Cash Flows:

Cash flows are reported using the indirect method, whereby profit/ (loss) before tax is adjusted for the effects of transactions of non cash nature and any deferrals or accruals of past or future cash receipts or payments. Cash flow for the year are classified by operating, investing and financing activities.

13. Earnings Per Share:

Basic earnings per share is computed by dividing the profit or loss after tax by the weighted average number of equity shares outstanding during the year including potential equity shares on compulsory convertible debentures. Diluted earnings per share is computed by dividing the profit / (loss) after tax as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share.

14. Exceptional items:

The company discloses certain financial information both including and excluding exceptional items. The presentation of information excluding exceptional items allows a better understanding of the underlying trading performance of the Group and provides consistency with the Group's internal management reporting. Exceptional items are identified by virtue of either their size or nature so as to facilitate comparison with prior periods and to assess underlying trends in the financial performance of the Group. Exceptional items can include, but are not restricted to, gains and losses on the disposal of assets/ investments, impairment charges, exchange gain/ loss on long term borrowings / assets and changes in fair value of derivative contracts.

15. Financial Instruments:

(a) Financial assets

Initial recognition and measurement

Financial assets are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial assets at initial recognition.

When financial assets are recognised initially, they are measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets, which are not at fair value through profit or loss, are adjusted to the fair value on initial recognition.

Classification:

Cash and Cash Equivalents — Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances with an original maturity of three months or less from the date of acquisition, highly liquid investment that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

Debt Instruments - The Group classifies its debt instruments (a) as subsequently measured at amortised cost or (b) fair value through Other Comprehensive Income or (c) fair value through profit or loss based on its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

(I) Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest. Interest income from these financial assets is included as a part of the Group's income in the Statement of Profit and Loss using the effective interest rate method.

(ii) Financial assets at fair value through Other Comprehensive Income (FVOCI)

Financial assets are subsequently measured at fair value through Other Comprehensive Income if these financial assets are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest. Movements in the carrying value are taken through Other Comprehensive income, except for the' recognition of impairment gains or losses, interest revenue and foreign exchange gains or losses which are recognised in the Statement of Profit and Loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in Other Comprehensive Income is reclassified from Other

Comprehensive Income to the Statement of Profit and Loss. Interest income on such financial assets is included as a part of the Company's income in the Statement of Profit and toss using the effective interest rate method.

(iii) Financial assets at fair value through profit or loss (FVTPL)

Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on such debt instrument that is subsequently measured at FVTPL and is not part of a hedging relationship as well as interest income is recognised in the Statement of Profit and Loss.

De-recognition

A financial asset is derecognised only when the Group has transferred the rights to receive cash flows from the financial asset. Where the Group has transferred an asset, the Group evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the Group has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised. Where the Group retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

(b) Financial liabilities

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial liabilities, which are not at fair value through profit or loss, are adjusted to the fair value on initial recognition.

Subsequent measurement

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in the Statement of Profit and Loss when the liabilities are derecognised, and through the amortisation process.

De-recognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

16. Accounting of Leases

The Group, as a lessee, recognises a right-of-use asset and a lease liability for its leasing arrangements, if the contract conveys the right to control the use of an identified asset. The contract conveys the right to control the use of an identified asset, if it involves the use of an

identified asset and the Group has substantially all of the economic benefits from use of the asset and has right to direct the use of the identified asset. The cost of the right-of-use asset shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date plus any initial direct costs incurred. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset.

The Group measures the lease liability at the present value of the lease payments that are no paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses incremental borrowing rate. For short-term and low value leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the lease term

D. Recent accounting pronouncements:

On 24th July 2020, the Ministry of Corporate Affairs (MCA) has notified amendments to Accounting Standards 1, 8, 10, 37, 103, 107, 109 and 116 by way of Companies (Indian Accounting Standards) Amendment Rules, 2020 which is applicable with effect from 1st April, 2020.

These amendments have been made keeping in view the current business environment caused by the pandemic. COVID-19 has not only affected the health of people across the globe it has also caused severe disturbances in the global economic environment which has consequential impact on financial statements and reporting.

The Company is currently evaluating the impact on account of the above amendment and is of the opinion that it may not have significant impact on key profit & loss and balance sheet ratio i.e. Earnings before interest, tax, depreciation and amortisation (EBITDA), Asset coverage, debt equity, interest coverage, etc.

Cerebra Integrated Technologies Limited

3A Property, Plant and Equipment **INR in Lakhs**

Particulars	Freehold Land	Leasehold Land#	Factory Buliding^	Plant and Machinery	Office Equip-ment	Computers	Vehicles**	Electrical Installations	Furniture and Fixtures	Total
Gross Block										
Balance as at 31st March 2018	**2.01**	**511.89**	**239.96**	**67.10**	**12.36**	**16.35**	**22.78**	**51.38**	**25.62**	**949.44**
Additions	-	-	-	-	0.85	-	-	-	1.64	2.50
Deductions/ Adjustment	-	-	-	-	-	-	1.62	-	-	1.62
Balance as at 31st March 2019	**2.01**	**511.89**	**239.96**	**67.10**	**13.21**	**16.35**	**21.16**	**51.38**	**27.26**	**950.32**
Additions	-	-	10.00	24.96	5.32	0.77	12.75	-	4.61	58.41
Deductions/ Adjustment	-	-	-	-	1.01	-	-	-	-	1.01
Balance as at 31st March 2020	**2.01**	**511.89**	**249.96**	**92.06**	**17.52**	**17.12**	**33.91**	**51.38**	**31.87**	**1,009.73**
Accumulated Depreciation										
Balance as at 31st March 2018	**-**	**-**	**8.84**	**5.60**	**4.88**	**5.92**	**7.32**	**6.98**	**9.82**	**49.36**
Additions	-	-	8.77	4.95	6.41	1.84	4.34	4.60	6.76	37.67
Deductions/ Adjustment	-	-	-	-	-	-	1.62	-	-	1.62
Exchange Fluctuation	-	-	-	-	1.30	-	-	-	-	1.30
Balance as at 31st March 2019	**-**	**-**	**17.61**	**10.55**	**9.99**	**7.76**	**10.04**	**11.58**	**16.58**	**84.10**
Additions	-	-	8.82	5.51	4.30	1.64	4.00	4.60	3.50	32.38
Balance as at 31st March 2020	**-**	**-**	**26.43**	**16.06**	**14.29**	**9.41**	**14.04**	**16.17**	**20.08**	**116.49**
Net carrying amount as at 31st March 2020	**2.01**	**511.89**	**223.53**	**76.00**	**3.23**	**7.71**	**19.87**	**35.21**	**11.79**	**893.26**
Net carrying amount as at 31st March 2019	**2.01**	**511.89**	**222.35**	**56.55**	**3.23**	**8.59**	**11.12**	**39.80**	**10.68**	**866.22**

Lease hold land amounting Rs. 506.4 Lakhs (31.03.2019 Rs. 506.40 Lakhs) includes 48,564 Sq. Mtrs of land at Narsapura Industrial Area, Kolar Taluk, Kolar District, allotted by Karnataka Industrial Area Development Board (KIADB) on lease cum sale basis for setting up an e-waste recycling plant within a specified period. As per the lease cum sale agreement, KIADB has got the right to determine the lease and forfeit up to 25% of the consideration paid / enhance the compensation payable if the company fails to set up the plant with in the specified period.

^ The Factory building having a carrying value of Rs. 223.53 Lakhs (31.03.2019 Rs. 54.48 Lakhs) has been mortgaged to Canara Bank (Erstwhile Syndicate Bank) bank as a security against working capital sanctioned by them as on the date of the balance sheet.

** The vehicles of the company having a carrying value of Rs 19.87 (31.03.2019 Rs.11.12 Lakhs) Lakhs are hypothecated to a bank as security against term loans obtained by the company for purchasing the said vehicles .

3B Intangibles

Particulars	Software	Total
Gross Block		
Balance as at 31st March 2019	**-**	**-**
Additions	22.52	22.52
Deductions/ Adjustment	-	-
Balance as at 31st March 2020	**22.52**	**22.52**
Accumulated Depreciation		
Balance as at 31st March 2019	**-**	**-**
Additions	-	-
Deductions/ Adjustment	1.58	1.58
Balance as at 31st March 2020	**1.58**	**1.58**
Net carrying amount as at 31st March 2020	**20.93**	**20.93**
Net carrying amount as at 31st March 2019	**-**	**-**

3C Capital work In progress

Particulars	Amt in Lakhs
Building	84.0641
Plant and Machinery	6,743.26
Total	**6,827.33**

Cerebra Integrated Technologies Limited

Consolidated Notes Forming Part of Financial Statements for as at 31st March 2020

INR in Lakhs

	Particulars	As at 31st March 2020	As at 31st March 2019
4	**Investment**		
	Quoted Mutual Funds		
	HDFC Short Term Opportunities Fund- (Units 102269.69 (31.03.2019 96630.01))	10.56	9.90
	ICICI Prudential Mutual Fund (Units 89309.88 (31.03.2019 84353.47))	9.06	8.55
	Nippon India Prime Debt Fund (Units 7197.02 (31.03.2019 6844.47))*	1.23	1.17
B	**Total**	**20.85**	**19.62**
	Total	**20.85**	**19.62**
	Aggregate value of Quoted Investments	20.85	19.50
	Market value of Quoted Investments	20.85	19.62
	* Previously known as Reliance India Prime Debt Fund		
5	**Trade Receivables- Non Current**		
	Trade Receivables unsecured- considered good	1,424.69	-
	Trade Receivables unsecured- considered doubtful	-	-
	Trade Receivables which have significant increase in credit risk	3,775.62	-
	Trade Receivables - Credit Impaired	-	-
	Sub Total	**5,200.31**	**-**
	Less: Allowance for Doubtful Trade Receivables	-	-
	Total	**5,200.31**	**-**
6	**Loans and Advances (Unsecured, considered good)**		
	Security deposits considered good	14.92	19.96
	Other loans and advances	148.69	189.29
	Less: Allowance for Doubtful Loans	-	-
	Total	**163.61**	**209.25**
	Break-up:		
	Loans considered good - Secured	-	-
	Loans considered good - Unsecured	163.61	209.25
	Loans which have significant increase in credit risk	-	-
	Loans - credit impaired	-	-
	Total	**163.61**	**209.25**
	Less: Allowance for Doubtful Loans	-	-
	Total Loans and Advances	**163.61**	**209.25**
7	**Other Financial Assets**		
	Interest accrued but not due on deposits	22.46	17.69
	Total	**22.46**	**17.69**
8	**Deferred Assets Liabilities(Net)**		
	On account of fixed assets	-7.28	-9.28
	On account of temporary disallowances	70.01	116.44
	Total	**62.72**	**107.16**
9	**Other Non Current Assets**		
	Capital advance -to others (Refer Note number 37.1 and 37.2)	1,910.50	2,524.80
	Others advances	1.65	3.19
	Total	**1,912.15**	**2,528.00**
10	**Inventories**		
	Raw materials	6.30	299.60
	Work in Progress	624.87	-
	Stock in trade	581.29	85.31
	Total	**1,212.46**	**384.91**

Consolidated Notes Forming Part of Financial Statements for as at 31st March 2020

Valuation of inventories in the e waste division is made based on the quantitative reconciliation of material issued to and generated from processing based on theoretical standards and the actual quantity of goods sold. Company is in the process of installing a software to tag and capture the movement of materials in that division.

INR in Lakhs

	Particulars	As at 31st March 2020	As at 31st March 2019
11	**Trade Receivables: Current**		
	Trade Receivables unsecured- considered good	24,872.13	13,090.99
	Trade Receivables unsecured- considered doubtful	712.22	-
	Trade Receivables which have significant increase in credit risk	-	20,797.28
	Trade Receivables - Credit Impaired	-	710.86
	Sub Total	**25,584.35**	**34,599.13**
	Less: Allowance for Doubtful Trade Receivables	712.22	710.86
	Total	**24,872.13**	**33,888.27**
12	**Cash and Cash Equivalents**		
	A) Balances with Banks		
	I) In Current account with scheduled bank	357.77	77.92
	ii) In Foreign currency with foreign bank	929.28	6,928.54
	B) Cash in hand	-	-
	i) In Indian rupee	1.17	6.05
	ii) In Foreign currency	2.46	4.92
	Total	**1,290.68**	**7,017.43**
13	**Bank balances (other than Note 12 above)**		
	In deposits with scheduled bank (with maturity of more than three month)*	539.91	639.01
	Total	**539.91**	**639.01**
	*** Bank Deposits are pledged against guarantee provided by the company**		
14	**Loans and advances**		
	Security deposits considered good	31.59	1.79
	Earnest money deposits	119.68	142.61
	Total	**151.27**	**144.40**
	Break-up:		
	Loans considered good - Secured	-	-
	Loans considered good - Unsecured	491.27	144.40
	Loans which have significant increase in credit risk	-	-
	Loans - credit impaired	-	-
	Total	**491.27**	**144.40**
	Less: Allowance for Doubtful Loans		-
	Total	**491.27**	**144.40**
15	**Other current assets**		
	Prepaid expenses	9.65	7.41
	Unbilled Revenue	577.27	577.27
	Advance to suppliers	898.48	1.99
	Advance to employees	7.05	3.03
	Balance with statutory / government authorities	143.34	108.37
	Total	**1,635.78**	**698.07**

Consolidated Notes Forming Part of Financial Statements for as at 31st March 2020

15 Equity Share Capital **INR in Lakhs**

Particulars	As at 31st March 2020	As at 31st March 2019
	Number	Number
a Authorised Equity Share Capital 12,60,00,000 (12,60,00,000) Equity Shares Rs. 10 each)	12,600.00	12,600.00
b Issued Subscribed and fully paid up Equity Share Capital 12,11,86,482 (12,03,86,482) Equity Share of Rs. 10 each	12,118.64	12,118.64
c Add:- Forfeited Shares	1.02	1.02
Total	**12,119.66**	**12,119.66**

d **Reconciliation of No of equity share and share capital outstanding**

Particulars	As at 31st March 2020		As at 31st March 2019	
	Number	INR in Lakhs	Number	INR in Lakhs
Opening number of share outstanding	12,11,86,482	12,118.64	12,03,86,482	12,038.64
Add: No of Shares/Share Capital issued/ subscribed during the year	-	-	8,00,000	80.00
Closing Number of shares outstanding	**12,11,86,482**	**12,118.64**	**12,11,86,482**	**12,118.64**

e Terms / Rights attached to equity shares

The Company has only one class of equity shares having par value of Rs. 10 per share. Each holder of an equity share is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of share holders in the Annual General Meeting. During the year, the Company has not declared any dividend. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of shares held by the equity share holders.

f Out of the total issued and paid up capital 92,16,153 (92,16,153) shares of Rs 10/ each have been allotted as fully paid up pursuant to a contract without payment received in cash Out of the shares allotted as detailed in clause(f) above, the shareholders of the Company in their meeting held on 25th September 2019 approved the reduction of share

g capital of the Company by 92,00,000 equity shares. The Company has initiated steps for obtaining approvals under listing agreement and under the Companies Act, 2013

h Shares held by each shareholder holding more than 5 percent shares specifying the number of shares held

Name of the Shareholders	As at 31st March 2020		As at 31st March 2019	
	No. of shares	% of holding	No. of shares	% of holding
Manish Lakhi	94,23,720	7.78%	94,23,720	7.78%
Kuber Global Fund	1,19,00,000	9.82%	1,19,00,000	9.82%

16 Other Equity

	As at 31st March 2020	As at 31st March 2019
I) Capital reserve		
Balance as per last financial statement	**676.77**	**226.77**
Add: Additions on account of warrants forfeited	-	450.00
	676.77	**676.77**
ii) Security premium		
Balance as per last financial Statement	**9,736.37**	**9,479.72**
Add:- Received during the year	-	256.66
Balance as on balance sheet date	**9,736.37**	**9,736.38**
iii) Surplus		
Balance as per last financial Statement	**3,639.41**	3,199.32
Add:- Profit for the year	1,144.24	440.09
Balance as on balance sheet date	**4,783.66**	**3,639.41**
iv) **Other Comprehensive Income (Other than changes in Translation reserve)**		
Balance as per last financial Statement	3.53	1.53
Add:- For the year	-1.06	2.00
Balance as on balance sheet date	**2.47**	**3.53**

Consolidated Notes Forming Part of Financial Statements for as at 31st March 2020

v) Other Comprehensive Income (Changes in Translation reserve)		
Balance as per last financial Statement	690.78	177.54
Add:- For the year	1,427.46	513.24
Balance as on balance sheet date	**2,118.24**	**690.78**
Total	**17,317.51**	**14,746.87**

*During the Financial year 2017-18 the company had issued 53 Lakhs share warrants to the promoters of the company at Rs. 40 Per share. The company has received Rs. 10 (25%) against the same on 28th April 2017. Such warrants had to be convertible into one equity share at any time within a period of 18 Months from the date of allotment of such warrants. Balance 75% (i.e.Rs.30) had to be paid before the date subscription to equity shares. On expiry of the said period of 18 months only 8 lakh share warrants had been converted in to equity shares by payment of Rs. 30 per share and the balance amount of Rs. 450 lakhs received has been forfeited and the same has been treated as capital reserve.

Capital Reserve: Capital reserve represents share and share warrants forfeited. Capital Reserve is utilised in accordance with the provisions of the Act

Security Premium: Securities Premium is created due to premium on issue of shares. These reserve is utilised in accordance with the provisions of the Act.

Retained Earnings/Surplus: Surplus is created out of the profits generated . The same can be utilised in accordance with the provisions of the Act to distribute among the shareholders by way of dividend or by way of issue of bonus shares etc after setting off accumulated loss.

18 Borrowings (Non Current)	**As at 31st March 2020**	**As at 31st March 2019**
Term Loans from Banks - secured	**410.37**	**153.76**
Total long term borrowings	**410.37**	**153.76**
Less: Instalments of term loan payable within a year considered as other current liability (Refer note No.19)	355.75	89.38
Total	**54.61**	**64.37**

Term Loan of Rs. 19.13 Lakhs (31.03.2019 Rs. 10.46 Lakhs) availed from Indian Banks is secured against hypothecation of Vehicles

Term Loan of Rs. 391.23 Lakhs (31.03.2019 Rs. 143.3 Lakhs) availed from UAE Banks is secured against personal guarantee of Mr. Asit Ahuja, the Managing Director of Cerebra Middle East FZCO and by way od undated and signed cheques of AED 17,00,000

Schedule of repayment of loan is as under

Year	Amount in Lakhs	Year	Amount in Lakhs
2019-20	89.38	2022-23	5.19
2020-21	355.75	2023-24	1.74
2021-22	46.90	2024-25	0.79

INR in Lakhs

19 Provisions (Non Current)		
Provision for		
- Gratuity (Refer note 43)	44.48	34.56
- Leave Benefits (Refer note 43)	5.85	2.85
Total	**50.33**	**37.42**
20 Borrowings		
Cash Credit/Overdraft from Syndicate Bank*	459.98	128.33
Loan from Directors	402.63	83.52
Total	**862.62**	**211.85**

*The Factory building having a carrying value of Rs. 223.53 Lakhs (31.03.2019 Rs. 54.48 Lakhs) has been mortgaged to Canara Bank (Erstwhile Syndicate Bank) as a security against working capital limits sanctioned by them as on the date of the balance sheet. The current assets of the company including Raw Material, WIP, Finished goods are also hypothecated against cash credit limit of Rs 300 Lakhs and Adhoc Limit of Rs 500 Lakhs. The Adhoc Limit of Rs 500 Lakhs is also secured by way of personal guarantee of three whole time directors of the company.

21 Trade Payables		
Total outstanding dues of micro enterprise and small enterprise	5.11	93.49
Total outstanding dues of creditors other than micro enterprise and small enterprises	10,674.09	16,292.91
Total	**10,679.20**	**16,386.40**

Consolidated Notes Forming Part of Financial Statements for as at 31st March 2020

INR in Lakhs

The information required to be disclosed under the Micro, Small and Medium Enterprises Develpoment Act, 2006 has been determined to the extent such parties had been identified on the basis of information available with the company in this regard.

Disclosure under required under MSME Act, 2006.		INR in Lakhs	
Sl. No.	**Particulars**	**31-Mar-20**	**31-Mar-19**
a.	The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier as at the end of each accounting year;		
	Principal amount	5.11	93.49
	Interest due thereon	Nil	4.10
b.	The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	Nil	Nil
c.	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	Nil	4.10
d.	The amount of interest accrued and remaining unpaid at the end of each accounting year; and The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of the Micro,	4.10	4.10
22	**Other Financial Liabilities**		
	Liabilities for expenses	305.83	325.94
	Deposits received	75.90	3.60
	Total	**381.73**	**329.54**
23	**Provisions Current**		
	Provision for		
	- Gratuity (Refer note 43)	18.18	17.41
	- Leave Benefits(Refer note 43)	0.79	0.41
	- Warranty	8.56	-
	- Bonus Payable	14.70	21.83
	Total	**42.24**	**39.65**
24	**Other Current Liabilities**		
	Advances from customers	213.31	12.69
	Current maturities of long term debts	355.75	89.38
	Statutory liabilities	481.15	371.47
	Total	**1,050.21**	**473.54**
25	**Current Tax Liabilities**		
	Provision for tax	1617.57	1,575.00
	Total	**1,617.57**	**1,575.00**
26	**Revenue from operations**		
	Sale of products	14,172.09	38,497.24
	Income from Services- E-waste processing	3,750.76	-
	Income from Services- Others	277.06	26.09
	Revenue from operations (Gross)	**18,199.91**	**38,523.33**
27	**Other income**		
	Interest income	157.46	36.30
	Excess provision / (unclaimed credit) withdrawn	3.33	4.15
	Dividend income	1.23	3.82
	Profit on sale of investment	-	37.76
	Profit on sale of assets	-	1.60
	Net gain on foreign currency transaction	105.77	498.65
	Total	**267.79**	**582.29**

Consolidated Notes Forming Part of Financial Statements for as at 31st March 2020

INR in Lakhs

Particulars	Year Ending 31st March 2020	Year Ending 31st March 2019
28 Cost of materials consumed		
Opening stock	299.60	830.30
Add: Purchase during the year	1,645.55	1,985.84
Less:- Closing stock	6.30	299.60
Total	**1,938.84**	**2,516.54**
29 Purchase of Stock-in-Trade		
Purchase of goods	12,105.24	27,932.80
Total	**12,105.24**	**27,932.80**
30 Changes (Increase) / Decrease in inventories of finished goods, work-in-progress and Stock-in-Trade		
Opening stock of finished goods	86.24	660.54
Opening stock of work-in-progress	-	-
Total Opening Stock of finished goods, work-in-progress and Stock-in-Trade	86.24	-
Closing stock of finished goods	581.29	-
Closing stock of work-in-progress	624.87	-
Less: Closing stock of finished goods, work-in-progress and Stock-in-Trade	1,206.15	85.31
Changes (Increase) / Decrease in inventories of finished goods, work-in-progress and Stock-in-Trade	**-1,119.91**	**575.23**
31 Employee Benefit Expenses		
Salaries and wages	1,061.13	857.09
Contracted Labour	181.19	102.73
Contribution to provident & other funds	47.43	29.38
Staff Welfare expenses	40.07	16.96
Total	**1,329.82**	**1,006.16**
32 Financial Costs		
Interest on term Loan	1.74	108.26
Interest on Working Capital	136.74	20.74
Interest on statutory dues	122.36	206.48
Other Interest	17.47	-
Bank Charges	30.72	40.35
Total	**309.03**	**375.82**
33 Other Expenses		
Power and Fuel	16.99	11.58
Rent	100.32	39.19
Repairs to Machinery	29.25	10.01
Repairs to Others	7.23	5.60
Insurance	29.33	20.84
Rates & Taxes, excluding taxes on income	16.99	11.64
Legal & Professional Charges*	174.18	150.37
Freight & Forwarding	11.56	18.87
Travelling and Conveyance	59.13	54.13
Communication expenses	57.82	34.95
Bad Advance written off	0.71	21.11
Trade Receivable written off (Also refer note no 34)	-	1,083.13
Provision for allowance	1.36	682.15
Advertisement & Business promotion	86.97	81.74
Printing & Stationery	12.05	9.56
Net Loss on sale, fair valuation of investment through profit and loss	-	34.56
CSR Expenses	10.33	4.25
Provision for Warranty	8.56	-
Miscellaneous Expenses	24.99	22.77
Total	**647.78**	**2,296.45**

Consolidated Notes Forming Part of Financial Statements for as at 31st March 2020

* Legal and Professional Charges includes Statutory Auditor's Remuneration:-	Year Ending 31st March 2020	Year Ending 31st March 2019
Particulars		
Audit fees	8.00	8.00
Tax Audit fees	2.00	2.00
Total	**10.00**	**10.00**
34 Exceptional Item		
Trade Receivable written off	1,785.07	-
Bad Advances Written off (Refer Note number: 37.2)	-	2,384.69
Total	**1,785.07**	**2,384.69**
35 Other Comprehensive Income		
Remeasured Unrealised actuarial gain/loss	-1.49	3.06
Total	**-1.49**	**3.06**

Note No. 36

a) Contingent Liabilities (to the extent not provided for)*

INR In Lakhs.

Particulars	31-03-2020	31-03-2019
Counter guarantee given to the bankers for guarantees and letter of credits issued on behalf of the company	495.82	239.30
Cheques discounted	22.78	194.75
Pending capital commitments (Net of Advance)	0.00	-

Penalty payable if any for delay in filing returns and payment of dues under Income Tax Act and Goods and Service Tax Act are not ascertainable and will be accounted on determination of the same.

Note No. 37.1

Capital advance of Rs. 769.52 Lakhs (Refer Note No. 9) (31.03.2019 861.12 Lakhs) is towards purchase of land and other expenses for setting up of an E-waste plant near Chennai. The Company has latter decided not to set up the plant there and initiated steps to recover the advance paid. In the opinion of the management the advance paid will be recovered in cash or in kind and hence no provision is made in the accounts.

Note No. 37.2

The company and three Singapore entities arrived at an amicable settlement of disputes including in relation to the Share Purchase Agreement that was executed with Enviro Hub Holdings Limited, Singapore wherein USD 1.25 Million was paid for acquisition of Cimelia at an earlier point of time. With the amicable settlement, the Singapore entities agreed to give up their claim / rights over 92,00,000 Shares of the company that were issued and allotted to them and all monetary claims against company ; and the company agreed to give up claim over the amounts paid to them under the Master Services Agreement aforementioned in addition to giving up claims arising out of the above mentioned Share Purchase Agreement. Company and three Singapore entities have agreed by virtue of the compromise that company will be entitled to undertake requisite steps to cancel / extinguish / annul the allotment of 92,00,000 Shares. Further thereto, compromise petitions were filed in arbitrations leading to the Arbitral Tribunal passing arbitral awards recording the said compromise. Consequent to the same Rs 2384.69 Lakhs accounted as capital advance is written off as bad during the financial year ending 31st March 2019 under exceptional items. Company has obtained approval from the shareholders, observation letters from stock exchanges for reduction of capital and is in the process of filing application with National Company Law Tribunal Bengaluru for their approval.

Note No 37.3

The Company has entered into an agreement for supply of processed e waste ,according to which the customer will pay only after completion of supply of an agreed minimum quantity . Trade receivables includes Rs 3675.48 lakhs (Previous year Rs 3902.69 Lakhs) outstanding under this agreement. Company is confident of fulfilling the contractual obligation and recovery of the receivable.

Note No 37.4

Advance for import of property plant and equipment's /software amounting to Rs. 1065.94 Lakhs is outstanding for more than three years.

Note No 37.5

Trade receivables Rs. 825.63 Lakhs is outstanding for more than two years

Consolidated Notes Forming Part of Financial Statements for as at 31st March 2020

Note No. 38 Operating Lease

The minimum future lease rentals payable in respect of non-cancellable leases entered into by the Company to the extent of minimum guarantee amount are as follows:-

INR in Lakhs

Particulars*	31-03-2020	31-03-2019
Not Less than one year	48.15	15.73
Later than one year but not later than five years	-	5.24
Later than five years	-	-

Expenses recognised in the Statement of Profit and Loss:

INR in Lakhs

Particulars	31-03-2020	31-03-2019
Fixed Rentals	100.32	39.19
Contingent rents	-	-
Total	**100.32**	**39.19**

Note No 39 Income Tax Expenses

Particulars	Year ending 31st March, 2020	Year ending 31st March, 2019
Current tax		
Current tax in taxable income for the year	311.21	1,503.01
Total current tax expense	**311.21**	**1,503.01**
Deferred tax		
Deferred Tax charge/(credit)	44.44	-104.75
MAT credit (taken)/utilized	-	-
Total deferred income tax expense/(benefit)	**44.44**	**-104.75**
Total income tax expenses /)Credit	**355.65**	**1,398.26**

A. Reconciliation of the income tax expenses to the amount computed by applying the statutory income tax rate to the profit before income taxes is summarized below:

Particulars	Year ending 31st March, 2020	Year ending 31st March, 2019
Enacted income tax rate in India applicable to the company	29.120%	29.120%
Profit before tax	870.58	1,504.10
Current tax expense on Profit before tax expenses at the enacted income tax rate in India	253.51	437.99
Tax effect of the amounts which are not deductible /(taxable) in calculating taxable income		
Permanent disallowances	10.59	1,004.12
Income exempted from income taxes	-0.36	-1.11
Other items	47.48	62.01
Total income tax expenses /(Credit)	**311.21**	**1,503.01**

Consolidated Notes Forming Part of Financial Statements for as at 31st March 2020

B The movement in deferred tax assets and liabilities **INR in Lakh**

Particulars	As at 31st March 2020		As at 31st March 2019	
	Deferred tax/(liabilities)	Credit)/(charge) in statement of Profit and Loss	Deferred tax / (liabilities)	Credit)/(charge) in statement of Profit and Loss
Depreciation	-7.28	1.99	-9.28	-1.91
Expenses allowed in the year of payment	70.01	-46.43	116.44	106.65
Sub total	**62.72**	**-44.44**	**107.16**	**104.75**
Total	**-**	**62.72**	**-**	**107.16**

Note no 40

a) Financial instruments by category:

As on March 31, 2020

INR in Lakhs

Particulars	FVTPL	FVOCI	Amortised Cost	Total Carrying Value
Financial Assets				
Measured at fair value				
Investments*	20.85	-	-	20.85
Not measured at fair value				
Loans and Advances	-	-	314.89	314.89
Trade Receivable	-	-	30,072.44	30,072.44
Cash and Cash Equivalents	-	-	1,290.68	1,290.68
Bank Balances other than those included above	-	-	539.91	539.91
Other Financial Assets	-	-	22.46	22.46
Total	**20.85**	**-**	**32,240.38**	**32,261.23**
Financial Liabilities				
Measured at Fair Value	-	-	-	-
Not Measured at Fair value				
Borrowings	-	-	917.23	917.23
Trade Payable	-	-	10,679.20	10,679.20
Other Financial Liabilities	-	-	381.73	381.73
Total	**-**	**-**	**11,978.16**	**11,978.16**

As on March 31, 2019 **INR in Lakhs**

Particulars	FVTPL	FVOCI	Amortised Cost	Total Carrying Value
Financial Assets				
Measured at fair value				
Investments*	19.62	-	-	19.62
Not measured at fair value				
Investments in Subsidary	-	-	-	-
Loans and Advances#	-	-	353.65	353.65
Trade Receivable	-	-	33,888.27	33,888.27
Cash and Cash Equivalents	-	-	7,017.43	7,017.43
Bank Balances other than those included above	-	-	639.01	639.01
Other Financial Assets	-	-	17.69	17.69
Total	**19.62**	**-**	**41,916.06**	**41,935.68**
Financial Liabilities				
Measured at Fair Value	-	-	-	-
Not Measured at Fair value				
Borrowings	-	-	276.22	276.22
Trade Payable	-	-	16,386.40	16,386.40
Other Financial Liabilities	-	-	329.54	329.54
Total	**-**	**-**	**16,992.15**	**16,992.15**

Consolidated Notes Forming Part of Financial Statements for as at 31st March 2020

b) Fair Value hierarchy

The following table presents the fair value hierarchy of assets and liabilities measured at fair value on a recurring basis, it also includes the financial instruments which are measured at amortised cost for which fair values are disclosed.

As on March 31, 2020 **INR in Lakhs**

Particulars	Level 1	Level 2	Level 3	Total
Financial assets:				
Measured at fair value				
Investments in Mutual Funds	20.85	-	-	20.85
Not measured at fair value (Refer footnotes)				
Total	**20.85**	**-**	**-**	**20.85**
Financial Liabilities				
Measured at fair value	**-**	**-**	**-**	**-**
Not measured at fair value (Refer footnotes)	**-**	**-**	**-**	**-**
Total	**-**	**-**	**-**	**-**

As on March 31, 2019 **INR in Lakhs**

Particulars	Level 1	Level 2	Level 3	Total
Financial assets:				
Measured at fair value				
Investments in Mutual Funds	19.62	-	-	19.62
Not measured at fair value (Refer footnotes)				
Total	**19.62**	**-**	**-**	**19.62**
Financial Liabilities				
Measured at fair value	**-**	**-**	**-**	**-**
Not measured at fair value (Refer footnotes)	**-**	**-**	**-**	**-**
Total	**-**	**-**	**-**	**-**

Footnotes

The Company has not disclosed the fair value of financial instruments such as trade receivables, trade payables, short term loans, deposits etc. because their carrying amounts are a reasonable approximation of fair value.

c) Fair value hierarchy:

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consists of the following three levels:

a) Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices in an active market. This included listed equity instruments, traded debentures and mutual funds that have quoted price. The fair value of all equity instruments (including debentures) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

b) Level 2: Level 2 hierarchy includes financial instruments that are not traded in an active market (for example, traded bonds/ debentures, over the counter derivatives). The fair value in this hierarchy is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2

c) Level 3: If one or more of the significant Inputs is not based on observable market data, the instrument is included in level 3. Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data. Financial instruments such as unlisted equity shares, loans are included in this hierarchy.

d) Inter level transfers: There are no transfers between levels 1 and 2 as also between levels 2 and 3 during the year.

e) Valuation technique used to determine fair value

I) the use of quoted market prices for the equity instruments and Mutual Funds
ii) the fair value of the unlisted shares are determined based on the income approach or the comparable market approach.

f) Reconciliations of level 3 fair values

Consolidated Notes Forming Part of Financial Statements for as at 31st March 2020

The following table shows reconciliation from the opening balances to closing balances for Level 3 fair values:

INR in Lakhs

Particulars	Assets
	Equity Instrument
Balance as on April 1, 2019	-
Changes:	
Nil	-
Balance as on March 31, 2020	-

Note No. 41 Financial Risk Management

Risk management framework

The company's activities expose it to market risk including currency risk, interest rate risk, liquidity risk and credit risk.

The company's risk management is carried out by finance department as per the policies approved by the Board of Directors. The board provides principles for overall risk management as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, and investment of short term/long term surplus funds.

A) Market Risk

i) Foreign Currency Risk

Foreign currency risk arises from commercial transactions , assets and liabilities denominated in a currency that is not the Company's functional currency (INR).

The exposure of the Company to foreign currency risk is not significant. However, this is closely monitored by the management to decide on the requirement of hedging. The position of foreign currency exposure to the Company is given below expressed in INR as under :

INR in Lakhs

Currency	Receivables	Payables
As on March 31, 2020		
Exposure US Dollars (USD)	8,086.70	-
Exposure in Dirhams (AED)	10,259.30	1,968.70
As on March 31, 2019		
Exposure US Dollars (USD)	1,440.20	8.73
Exposure in Dirhams (AED)	7191.27	1091.57

ii) Interest Rate Risk

The exposure of the company's borrowing to interest rate changes at the end of the reporting period depends on the mix of fixed rate and floating rate of the borrowings and the expected movement of market interest rate. The status of borrowings in terms of fixed rate and floating rate are as follows:

INR in Lakhs

Details of Borrowings outstanding	31-03-2020	31-03-2019
Variable Rate Borrowings	459.98	128.33
Fixed Rate Borrowings	410.37	153.76
Interest Free Borrowings	402.63	83.52
Total Borrowings	**1,272.98**	**365.60**

As at the end of the reporting period, the company had the following variable rate borrowings outstanding:

INR in Lakhs

Details of Variable rate borrowings	Weighted Avg. Interest Rate	Outstanding Balance	% of Total Loan
March 31, 2020			
Cash Credit from Canara Bank (Erstwhile Syndicate Bank)	11.70%	459.98	36.13%
March 31, 2019			
Cash Credit from Canara Bank (Erstwhile Syndicate Bank)	12.50%	128.33	35.10%

Consolidated Notes Forming Part of Financial Statements for as at 31st March 2020

Interest Rate Sensitivity

A change of 50 bps in interest rate would have the following impact on profit before tax

Particulars	2019-20	2018-19
50 bps increase would decrease the profit before tax by	14.71	3.21
50 bps decrease would increase the profit before tax by	-14.71	-3.21

iii) Price Risk

The company's exposure to securities price risk arises from investments held by the company in units of mutual fund classified in the balance sheet at fair value through profit and loss. However, company does not have a practice of investing in market equity securities with a view to earn fair value changes gain. Company has invested in units of mutual funds when short term surplus fund exists with prior approval of the Board . Considering the size of the investment the price/market risk is not significant.

B) Credit Risk

Credit risk arises when a counter party defaults on contractual obligations resulting in financial loss to the company. Trade receivables consist of large number of customers, spread across diverse industries and geographical areas. In order to mitigate the risk of financial loss from defaulters, the Company has an ongoing credit evaluation process in respect of customers who are allowed credit period. In respect of walk-in customers the company does not allow any credit period and therefore, is not exposed to any credit risk. In general, it is presumed that credit risk has significantly increased since initial recognition if the payments are more than 60 days past due.

INR in Lakhs

Details of outstanding trade receivables	Upto 6 Months	More than 6 Months
As on 31-03-2020	6,679.16	23,393.29
As on 31-03-2019	18,234.82	15,653.45

Reconciliation of loss allowance provision - Trade receivables

INR in Lakhs

Loss allowance as on April 1, 2019	710.86
Changes in loss Allowance	1.36
Loss Allowance as on March 31, 2020	712.22

C) Liquidity Risk

The Company has a liquidity risk management framework for managing its short term, medium term and long term sources of funding vis-à-vis short term and long term utilization requirement. This is monitored through a rolling forecast showing the expected net cash flow, likely availability of cash and cash equivalents, and available undrawn borrowing facilities.

I) Financing arrangements: The position of undrawn borrowing facilities at the end of reporting period are as follows

Amt in Lakhs

Floating Rate	31-03-2020	31-03-2019
Cash Credit from Syndicate Bank	340.02	671.67

ii) Maturities of financial liabilities

The table below analyses the company's all financial liabilities into relevant maturity based on their contractual maturities. The amounts disclosed in the table are the contractual undiscounted cash flows.

Contractual maturities of financial liabilities:

As on March 31, 2020

INR in Lakhs

Financial Liabilities	Not Later than 1 year	Between 1 & 5 years	Later than 5 Years
I) Borrowings	868.34	13.41	-
ii) Trade Payable	10,679.20	-	-
iii) Other Financial Liabilities	381.73	-	-

Consolidated Notes Forming Part of Financial Statements for as at 31st March 2020

As on March 31, 2019

Financial Liabilities	Not Later than 1 year	Between 1 and 5 years	Later than 5 Years
I) Borrowings	301.23	63.60	0.78
ii) Trade Payable	16,386.40	-	-
iii) Other Financial Liabilities	329.54	-	-

D) Impact of COVID-19

The Company has considered the possible effects that may result from COVID-19 on the carrying amounts of financial assets, inventory, receivables, loans and advances, property, plant and equipment, intangibles etc as well as liabilities accrued. In developing the assumptions relating to the possible future uncertainties in the economic conditions because of this pandemic, the Company has used internal and external information. Having reviewed the underlying data and based on current estimates, the Company does not expect any material impact on the carrying amount of these assets and liabilities. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements and the Company will continue to closely monitor any material changes to future economic conditions. The Company has also evaluated the impact of the same on the aforementioned risks i.e. credit risk, liquidity risk, market risk, currency risk and interest risk and does not foresee any material impact on account of the same.

Note Number 42 : Capital Management

Capital management objectives of the Company is to safeguard its ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders.

The company's strategy is to maintain a gearing ratio within 20%. The gearing ratios were as follows:

INR in Lakhs

Particulars	31-03-2020	31-03-2019
Debt	1,923.17	940.08
Equity	29,437.17	25,926.45
Net Debt to Equity	6.53%	3.63%

Note No 43 : Related Party Disclosure

a) Related Parties

Name	Nature
Kranion Technologies limited	Entity in which KMP or/and his relatives are able to exercises significant influence

Management Personal

Name	Designation
V. Ranganathan	Managing Director
P. Vishwamurthy	Whole Time Director
Shridhar S Hegde	Whole Time Director
Sureshkumar.T.S	Director
MVS Vasan	Director
P. E. Krishnan	Director
Preethi Javali	Director
S Gopalakrishnan	Director
Riyaz Suterwalla	Director
Bharath P	Relative of a Director
Medha S Hegde	Relative of a Director

Consolidated Notes Forming Part of Financial Statements for as at 31st March 2020

C) Transaction with Related Parties

INR in Lakhs

Particulars	Transaction	Year ended 31-Mar-2020	Year ended 31-Mar-2019
V. Ranganathan	Remuneration	25.15	25.15
	Amount received against Issue of share warrants	-	210.00
	Shares Issued	-	280.00
	Loan given	7.02	1.52
	Loan repaid	5.75	1.52
P. Vishwamurthy	Remuneration	25.15	25.15
	Amount received against Issue of share warrants	-	-
	Loan given	7.00	-
	Loan repaid	4.00	-
	Shares Forfeited	-	200.00
Shridhar S Hegde	Remuneration	25.15	25.15
	Amount received against Issue of share warrants	-	30.00
	Shares Issued	-	40.00
	Shares Forfeited	-	50.00
	Loan given	29.90	10.62
	Loan repaid	18.77	10.62
Bharath P	remuneration	25.15	25.15
	Loan given	-	1.00
	Loan repaid	-	1.00
Medha S Hegde	Loan given	-	15.00
	Loan repaid	-	15.00
Sureshkumar.T.S	Loan received	-	10.00
MVS Vasan	Sitting Fees	0.40	-
P. E. Krishnan	Sitting Fees	0.50	-
Preethi Javali	Sitting Fees	0.15	-
S Gopalakrishnan	Sitting Fees	0.60	-
Riyaz Suterwalla	Sitting Fees	0.30	-
Sureshkumar.T.S	Loan Repaid	10.00	-

d) Balance with Related Parties **INR in Lakhs**

Particulars	31-03-2020	31-03-2019
Payable to Directors	-	-
V. Ranganathan	2.85	1.58
Shridhar S Hegde	12.71	1.58
P. Vishwamurthy	4.58	1.58
Preethi Javali	0.14	-
Riyaz Suterwalla	0.21	-
Sureshkumar.T.S	-	10.00
Payable to Bharath P	1.58	-

Consolidated Notes Forming Part of Financial Statements for as at 31st March 2020

Note No 44:- Employee Benefits

Gratuity

I) Changes in present value of obligation

INR In lakhs

Particulars	Year ended 31st March 2020	Year ended 31st March 2019
Present Value of Funded Obligation	-	-
Fair Value of plan asset	-	-
Net Fund Obligation	-	-
Present Value of unfunded defined benefit obligation	62.67	51.97
Amounts not recognised due to asset limit	-	-
Net defined liability/(asset) recognised in balance sheet	62.67	51.97
Net defined liability/(asset) Bifurcated as follows		
Current Liability	18.18	17.41
Non-current Liability	44.48	34.56

ii) Expenses to be recognised in Statement of profit or loss account **INR In lakhs**

Particulars	Year ended 31st March 2020	Year ended 31st March 2019
Current Service Cost	6.99	6.75
Past Service Cost	-	-
Administration Expenses	-	-
Interest on net defined benefit liability/(Asset)	3.31	3.00
(Gain)/Losses on settlement	-	-
Total expenses to be charged to profit or loss account	10.30	9.75

iii) Amount recorded in Other Comprehensive Income **INR In lakhs**

Particulars	Year ended 31st March 2020	Year ended 31st March 2019
Opening amount recognized in OCI outside profit and loss account	-1.46	1.60
Remeasurements during the period due to		
Changes in financial assumptions	3.59	0.33
Changes in demographic assumptions	-	-0.00
Experience adjustments	-2.11	-3.39
Actual return on plan assets less interest on plan assets	-	-
Adjustment to recognize the effect of asset ceiling	-	-
Closing amount recognized in OCI outside profit and loss account	**0.03**	**-1.46**

iv) Movement in Benefit Obligation **INR In lakhs**

Particulars	Year ended 31st March 2020	Year ended 31st March 2019
Opening of defined benefit obligation	51.97	45.39
Current service cost	6.99	6.75
Past service cost	-	-
Interest on defined benefit obligation	3.31	3.00
Remeasurements due to:		
Actuarial loss / (gain) arising from change in financial assumptions	3.59	0.33
Actuarial loss / (gain) arising from change in demographic assumptions	-	-0.00
Actuarial loss / (gain) arising on account of experience changes	-2.11	-3.39
Benefits paid	-1.09	-0.12
Liabilities assumed / (settled)*	-	-
Liabilities extinguished on settlements	-	-
Closing of defined benefit obligation	**62.67**	**51.97**

Consolidated Notes Forming Part of Financial Statements for as at 31st March 2020

v) Key Assumptions

Particulars	Year ended 31st March 2020	Year ended 31st March 2019
Discount Rate(p.a.)	6.40%	7.65%
Salary Escalation Rate(p.a.)	7.00%	7.00%
Demographic Assumptions		
Retirement Age	58	58
Morality Table	Indian Assured Lives Morality Table(2012-14)	Indian Assured Lives Morality Table(2012-14)
Leaving service rates Age		
21-30	15%	15%
31-44	10%	10%
35-44	5%	5%
45-50	3%	3%
51-54	2%	2%
55-57	1%	1%

Note No 45: Segment Reporting

Particulars	31.03.2020	31.03.2019
Segment Revenue		
a. Hardware including trading of refurbished computers/ accessories	13,770.01	34,362.03
b. Ewaste Powdering and Refining Division	4,429.90	4,135.21
c. IT services	0.00	26.09
Total	**18,199.91**	**38,523.33**
Less Inter segment revenue	-	-
Net sales/Income from Operations	**18,199.91**	**38,523.33**
Segment Results		
a. Hardware including trading of refurbished computer accessories	-560.45	3,973.59
b. Ewaste Powdering and Refining Division	2,312.75	1,471.70
c. IT services	-5.39	-704.50
Total	**1,746.91**	**4,740.79**
Less I. Interest	309.03	375.82
Add ii. Other Un-allocable Expenditure Net of Un-allocable income	-	-
Profit before Tax (before other comprehensive income)	**1,437.88**	**4,364.97**
Segment Assets		
a. Hardware including trading of refurbished computer accessories	28,042.01	41,518.63
b. Ewaste Powdering and Refining Division	16,783.32	5,036.27
c. IT services	0.53	3.90
Segment Liabilities		
a. Hardware including trading of refurbished computer accessories	8,645.45	18,646.22
b. Ewaste Powdering and Refining Division	6,040.96	645.27
c. IT services	702.29	700.27

Consolidated Notes Forming Part of Financial Statements for as at 31st March 2020

Note No 46 : Confirmation of balance is not received for trade receivables amounting Rs. 19065.05 Lakhs,trade payables amounting Rs. 5740.74 lakhs and advances amounting Rs 2059.19 Lakhs

Note No 47 : Earnings Per Share

Sl No	Particulars	Year ended 31st March 2020	Year ended 31st March 2019
A)	**Basic Earnings Per Share**		
	Profit for the year attributable to the share holders	1,144.24	440.09
	Weighted number of equity shares considered for calculation of basic earnings per share	12,11,96,632	12,06,07,852
	Earnings Per share- Basic	0.94	0.32
B)	**Diluted Earnings per share**		
	Profit after tax	1,144.24	440.09
	Adjustments	-	-
	Diluted Earnings	1,144.24	440.09
	Weighted number of equity shares considered for calculation of diluted earnings per share	12,11,96,632	12,06,07,852
	Earnings Per share- Diluted	0.94	0.32

Note No 48: Figures in bracket relates to previous year.

As per our attached report of even date

For Ishwar & Gopal
Chartered Accountants

For and on behalf of the Board

K.V. Gopalakrishnayya
Partner
Membership No. : 021748
Firm registration No. : 001154S

V. Ranganathan
Managing Director

Shridhar S Hegde
Whole Time Director & CFO

Nutun Soudagar
Company Secretary

Place : Bengaluru
Dated: 27th July 2020
UDIN: 20021748AAAAMA9200

REDUCE | REUSE | RECYCLE

E-Waste Recycling facility at Narasapura is Certified for
ISO 9001:2015 (Quality Management System)
ISO 14001:2015 (Environmental Management System) and
ISO 18001:2007 (Occupational Health and Safety Management System - OHSAS)

R2 2013 Responsible™ Recycling

CEREBRA®
Total I.T. Solutions
An ISO 9001 : 2015 Company

CEREBRA INTEGRATED TECHNOLOGIES LIMITED

CIN:L85110KA1993PLC015091
Regd Off.: #5-5, off 3rd Cross, I Stage, Peenya
Industrial Area Bangalore - 560 058
Telephone: 91-80-22046969 I Fax: 91-80-22046980
Email: investors@cerebracomputers.com
Web: www.cerebracomputers.com

E WASTE COLLECTION CENTRES AT

MUMBAI | PUNE | AHMEDABAD | SURAT | VADODARA | NEW DELHI | CHENNAI | HYDERABAD | VISHAKAPATTANAM | HUBLI | BELGAUM | MANGALORE | BENGALURU